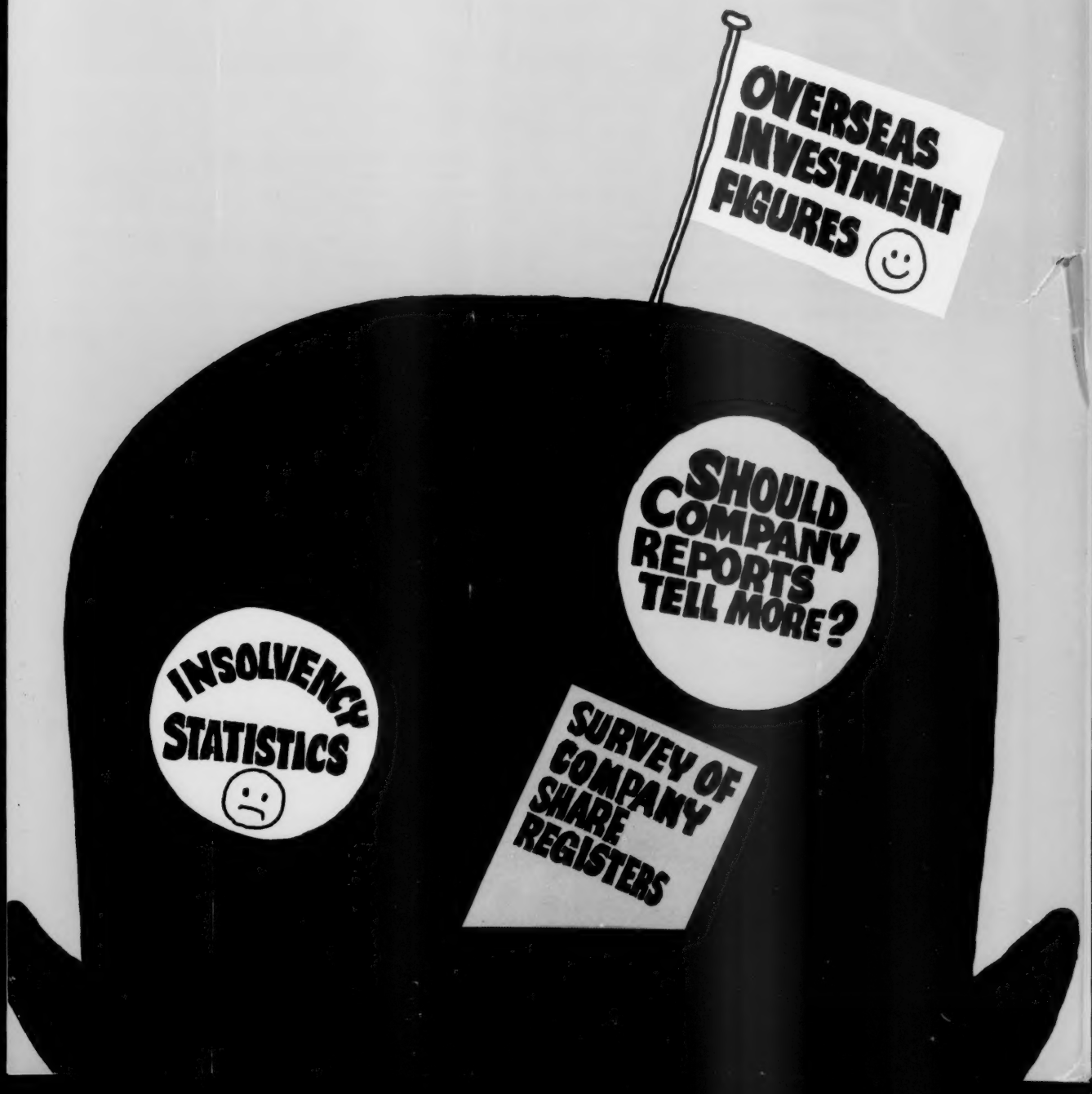
Trade and Indus

5 August 1977 Every Friday 35p

Review of overseas representation

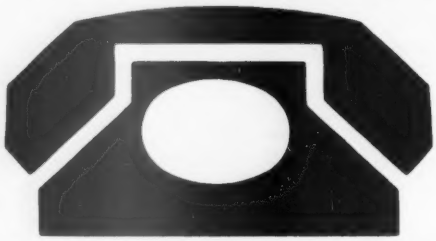


OTAR: help for exporters

Overseas Tariffs and Regulations Section (OTAR), Export Services and Promotions Division, Department of Trade, Export House, 50 Ludgate Hill, London EC4M 7HU (tel. 01-248 5757) can give you directly, or through your Regional Office, *up-to-date information on the tariffs and customs regulations of overseas countries, import licensing regulations and* restrictions including import quotas ; certificate of origin ; consular invoices and fees ; labelling and marking requirements ; foodstuffs, drugs and pharmaceuticals, agency legislation, setting up of a subsidiary company and the imports of samples. It also provides information, in collaboration with the Ministry of Agriculture, Fisheries and Food, on health *regulations for livestock, meat, animal products and plants and seeds. In short, OTAR can help on almost all legislation* which affects the entry of British goods into overseas countries.

Inquiries which concern the countries of more than one sub-section (excluding inquiries involving only EEC countries) should be made to OTAR's co-ordination sub-section on 01-248 5757 extension 452 or 454.

For information on specific countries, phone the number and extension given below



Revised edition
Note regrouping of responsibilities

01-248 5757

extension

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Trade and Industry

5 August 1977

News from the Departments of Industry·Trade·Prices & Consumer Protection

Company reports should disclose more information says the Department of Trade in a consultative document. City readers will also be interested in several articles in our statistics section – including a survey of company share registers.

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Trade and Industry this week

HOME

First tasks for new, tougher Price Commission

Bank charges and books are in the first programme of proposed references to the new Price Commission announced by Roy Hattersley, Secretary of State for Prices and Consumer Protection on 1 August, the day the new commission came into being. Before making his decision on the subjects suggested, the secretary of state will consult the Price Commission and the Director-General of Fair Trading, as required by the Price Commission Act 1977. He is initiating the necessary consultation on the following subjects.

Proprietary medicines. Prices and margins in the production and distribution of proprietary non-ethical medicines including a comparison with the prices and margins of unbranded equivalents; the study to concentrate on the larger enterprises.

Footwear. Prices and margins in the distribution of footwear.

Books. Prices and margins in the production and distribution of books, with particular reference to technical books; the study to take into account the findings of the Restrictive Practices Court on the Net Book Agreement.

Bank charges. Charges made by banks for money transmission and other services.

Animal feeding-stuffs. Prices and margins in the production and distribution of animal feeding-stuffs.

Bacon. He is also proposing to re-refer to the commission prices, costs and margins on the importation and distribution of bacon; this is the subject of an existing reference to the commission under the Counter-Inflation Act 1973.

The commission currently has before it the references made under the 1973 act for tea, bacon and paint. In addition, the commission is required to keep under review fresh food prices, prices of potatoes and potato substitutes and the effects of metrication on prices.

UK reserves tripled

Britain's reserves increased by $1,850 million in July to reach another record of $13,422 million, the equivalent of £7,725 million at the current rate of exchange. The reserves have tripled since the beginning of the year.

R and D boards report successes

Oxidation resisting steel and water jet cutters for shoe making were among potential successes recorded in the 1976/77 annual reports of the Department of Industry's Research and Development Requirements Boards published on Wednesday, 3 August.

Among the work by the chemicals and minerals board was work on Fecralloy steel, which resists oxidation at extreme temperatures. There is a good chance of commercial use in car exhaust emission control throughout the world.

The Chief Scientist's requirements board has given particular attention to some of the low technology sectors of industry. Studies on the requirements of the furniture, printing and electrical industry have now been commissioned.

The board has worked with the Department of Energy to promote more efficient use of energy in industry, by arranging on-site visiting under the energy thrift scheme and study of the pattern of fuel usage under the energy audit scheme. The board continues to support development of advanced storage batteries with encouraging results.

During the year projects supported by the computers, systems and electronics board included some in advanced computer technology, standardisation of programming language, computer networks, interworking beween dissimilar systems, speech recognition, man-computer interaction, document retrieval and radar meteorology.

The engineering materials board did significant work in engineering applications of new materials. The board agreed to assist UK contractors to participate in the extended international (Cost 50) programme on gas turbine materials.

The garment and allied industries requirements board has turned its attention to use of textiles in the engineering and construction industries to help the textile industry to diversify outside its traditional markets. The board has continued to support work to improve performance, quality and styling of finished products.

Work funded by the Mechanical Engineering and Machine Tools requirements board on Conform, a new continuous extrusion forming process, has been licensed commercially and is currently undergoing user evaluation trials. The board's work on casting hot metal in moulds and water jet cutting for shoe manufacture is promising. In addition the board, in conjunction with the Science Research Council, has given the teaching company scheme approval to proceed.

The ship and marine technology board's support of an unmanned submarine for seabed surveying shows promise of success. In addition, important work was done on ship-handling equipment, including simulators for steering and navigational training, ship safety and marine pollution (on behalf of the Department of Trade) and under-water technology.

Price control exemptions published

Areas which are to be wholly or partially exempt from investigation and examination under the new system of price controls, are set out in an order* published on 1 August by Roy Hattersley, Secretary of State for Prices and Consumer Protection. The order is made under section 22(2) of the Price Commission Act 1977. These exemptions are similar to those in the present price code with a few minor additions.

There are to be three categories of exemption. First, all prices and charges listed in the schedule to the order will be exempt from investigations by the Price Commission into individual price levels. This category of exemption is similar to the exemptions from control under the price code and covers areas where, in general, it would be impracticable to impose restrictions on individual prices and charges following an investigation, because either:

1 a restriction would be inconsistent with international obligations (eg coal and steel under the European Coal and Steel Community) or outside the United Kingdom's jurisdiction (eg imports and exports); or

2 it would be impossible to regulate individual prices because of the way they are determined (eg at auctions or on commodity markets); or

3 a restriction would infringe on the jurisdiction of other bodies responsible for the control and supervision of prices and charges

* The Price Investigation and Examination (Exceptions) Order 1977, SI 1977/1285, HMSO, price 25p.

(eg domestic air fares determined by the Civil Aviation Authority).

Two categories of exemption are proposed in the case of examinations by the commission into general questions relating to prices and charges. A small number of sectors will be completely outside the scope of investigations. These exemptions are largely necessary to establish the fact that the commission will not be asked to examine sectors which are subject to supervision by other bodies.

A further category of exemption will comprise certain prices and charges which can be examined by the commission, but only on a fact-finding basis. They will be exempt from any action in consequence of an examination, because they are not susceptible to regulation on a sectoral basis for the same reasons that they cannot be restricted on an individual basis following an investigation. The exemptions in this category will not prevent the commission recommending, or the secretary of state from taking, action on distributors' margins following an examination. The exemptions relate only to the prices and charges of manufacturers of goods and providers of services, not to the margins of distributors.

Details of nine companion orders and regulations under the Price Commission Act are given on page 214.

More assistance for N. Ireland

New economic and industrial measures for Northern Ireland were announced by Roy Mason, Secretary of State for Northern Ireland, in Belfast, on Monday. Pointing out that the new proposals represented very substantial further help to the Northern Ireland economy, Mr Mason said the government was approaching the problem in two ways: 'first by attacking what I believe has been a disincentive to investment; and second, by enhancing very substantially the attractiveness of the cash inducements to expand or start up in Northern Ireland.'

The changes proposed are as follows:

1 Northern Ireland Electricity Services debts of £250 million to be written off, and further provision of £100 million grants over the next five years.
2 Maximum rate of grant on buildings and plant to be raised by 10 per cent. This means that an industrialist starting up or expanding in areas of Northern Ireland where unemployment is worst can have up to 50 per cent of his expenditure on buildings and plant met by government and there will be no part of Northern Ireland where he will not be able to get up to 40 per cent.
3 Costs of basic research and development on new products and processes to be grant aided up to a limit of £250,000 per project.
4 Existing incentives also be be sharpened and greater use made of existing powers to provide selective assistance to significant employers in the service industry.
5 New efforts to attract major internationally-known companies to locate in unemployment blackspots, with a highly flexible package of financial assistance.
6 Ministers to spearhead drive overseas to attract investment.
7 A further £2.75 million allocated to the construction industry to enable a variety of works to be undertaken throughout Northern Ireland including areas of highest unemployment.
8 New Economic Council for Northern Ireland set up with Professor C. F. Carter, vice-chancellor of Lancaster University, as chairman.

The incentive changes proposed have been notified to the EEC.

OVERSEAS

Dell visits Latin America

Today (Friday) Edmund Dell, Secretary of State for Trade, leaves on a three-week tour of the United Kingdom's markets in Latin America. He is visiting Mexico from 5 to 9 August, Venezuela from 10 to 14 August and Brazil from 15 to 24 August.

In each country Mr Dell will have talks with senior ministers about economic and trade policy issues and he will also assess the increasing opportunities for United Kingdom organisations to contribute to the development of each country.

Mr Dell has also invited five senior industrialists to visit Brazil with him to help them strengthen British industry's links with that country and to improve high-level contacts in fields where there are potentials for British exports.

Role strengthened for overseas projects advisory panel

As part of a move to provide a strong focal point on matters concerning overseas project contracts, the Overseas Projects Group advisory panel of the British Overseas Trade Board will in future be known as the Overseas Projects Board it was announced this week (Wednesday).

The chairman of the Overseas Projects Board, Bill Francis, vice-chairman of Tarmac Ltd, said that the change followed discussions between industry and government on ways of improving the dialogue on matters relating to overseas projects. Too many industry organisations, he said, had been approaching too many parts of the government machine about similar problems.

Mr Francis said it had been agreed unanimously that a strong focal point was required and the former advisory panel was the obvious choice for this important role in the national export effort. The change of title was part of a move to strengthen the role of the panel to make it the focal point for industry and government on matters concerning overseas project contracts in the construction and process engineering industries and elsewhere.

The board's industrial members will continue to be appointed in a personal capacity by the Secretary of State for Trade. They will come from particular sections of industry and will develop close links with the main industry organisations concerned so as to be even more representative of the relevant industries. The board will continue to include representatives of appropriate government departments.

The 10 industrial members of the board come from contracting companies covering various industries; plant manufacturers; a consultant; a banker and a representative from a nationalised industry. Official representatives come from the Department of Trade, Export Credits Guarantee Department, Foreign and Commonwealth Office, Department of Environment, Department of Industry and the Ministry of Overseas Development.

The executive arm in the Department of Trade supporting the board will continue to be known as the Overseas Projects Group.

CPRS report published

On Wednesday the Central Policy Review Staff's (CPRS) 'Review of overseas representation' was published.

The CPRS team led by Sir Kenneth Berrill has made many recommendations on the most suitable, effective and economic methods of representing and promoting the UK's interests at home and abroad.

Some of the major recommendations are summarised on page 235.

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Future of company reports discussed

Companies should disclose more information about their activities to reflect the wider accountability of directors and cover the interests of people other than shareholders. The Department of Trade, proposing this in a consultative document* on the future of company reports published on 28 July, lists the areas where it believes more information is needed. It says that the annual reports and accounts of the larger companies should in future contain:

A value added statement to show the wealth created by the company and how it is distributed;

An employment statement to indicate the manpower and resources and policies of the companies;

More comprehensive financial accounts, to include information on the source and use of funds, short-term borrowing, leasing agreements, obligations to pension funds and transactions in foreign currency;

A disaggregation statement containing a breakdown of the company's activities by type of business and geographical area of operation; and

An international trade statement to show imports into, as well as exports from, the United Kingdom.

The document says that the government proposes to introduce these requirements under a new order-making power to be included in a forthcoming companies bill. The government has not decided on detailed exemption limits but suggests that only larger companies employing more than 500 people or with a turnover exceeding £5 million, should be required to produce a report embodying all these recommendations. At the same time, the government intends to consider whether companies should additionally disclose their total research and development costs and also publish a statement of their future prospects.

Comments on the document are invited by 31 December 1977 and should be forwarded to Companies Policy Division, Department of Trade, Room 645, Sanctuary Buildings, 16/20 Great Smith Street, London SW1P 3DB.

Summary of document

Acknowledgement of the wider responsibilities of companies has led to suggestions that the content of reports and accounts, which companies are obliged by law to produce, should reflect the wider accountability of directors, and cover the interests of more than their shareholders and creditors. The development of comprehensive reporting by large companies is an evolutionary process, the document points out, and the proposals it contains should be considered as just one, albeit important, stage in that process.

In the light of experience, these additional requirements could be modified or extended under the proposed order-making procedure after further consideration and consultation.

This should ensure, says the document, that company reports do not become overburdened with unnecessary detail, which might obscure rather than help understanding of the company's operations, and that the costs of collecting and publishing the information are kept within responsible bounds.

Statement of added value: Many companies already prepare statements of added value which, the government believes, form a useful indication of performance to supplement other financial information.

Employment statement: this would enable the company to give information about its workforce and employment policies relevant not only to employees but also to shareholders and others. Such information would indicate the effectiveness of management and the way in which the company met its social obligations, for example, in the training of school leavers, the employment of disabled people and also progress towards employee participation.

Source and application of funds: the government believes that a statutory requirement for a statement on flow of funds would be useful, but considers that detailed provisions would need to be contained in an accounting standard.

Leasing and other revenue commitments: details of hire purchase and leasing transactions should be included in a note to the accounts if they are not already disclosed in the balance sheet.

Pensions: it is proposed that companies should be legally required to give separate information in their accounts on present and future liabilities on pensions.

Transactions in foreign currencies: details of material assets and liabilities held overseas or denominated in foreign currencies should in future be disclosed. Directors should also be required to comment in their annual report to shareholders on significant foreign exchange matters.

Disaggregation: separate information about the different classes of a company's business, and about the geographical location of its components and their contribution to overall trading results is important, the document says, for a true appreciation of a company's financial situation and prospects. It is proposed that such information should form part of the accounts and be subject to audit.

International trade: the government considers that companies should be required to report on indirect, in addition to direct, exports and imports. This would replace the existing obligation on directors to report on exports.

In May 1976, the Department of Trade issued a draft consultative document 'Aims and Scope of Company Reports'. Nearly 50 organisations and individuals submitted written comments on the document, and these have been taken into account in the preparation of the latest document.

* 'The future of company reports', Cmnd. 6888, HMSO, price 45p.

Proposals to amend investment fraud act

A tighter scheme of regulation for the statutory side of the securities market is proposed in a green paper* presented to parliament by Edmund Dell, Secretary of State for Trade, on 28 July. The consultative document forms part of the four-point plan for improved supervision of the securities market announced by Mr Dell on 21 October 1976. The green paper suggests amendments to the act to improve and extend the system for licensing dealers in securities among other things to include the activities of some investment advisers; reduce the numbers exempted from licensing; tighten up the rules on investment circulars; and increase substantially the financial penalties laid down in the act, together with the deposits of licence holders.

Subject to certain exemptions, the green paper says the present act makes it an offence to carry on the business of dealing

* Amendments to the Prevention of Fraud (Investments) Act 1958 (Cmnd 6893), HMSO, price 25p.

in securities except under the authority of a licence issued by the Department of Trade. The licensing system does not at present bring in investment advisers and consultants whose numbers and activities have greatly increased in recent years. The paper says that the distinction between those requiring to be licensed and those free to operate without a licence has become blurred.

The government proposes, in the paper, that persons offering an advisory service for the management or investment of securities in return for a fee should be licensed either under the same system as dealers in securities, or under a separate system. It was not however intended that solicitors and accountants would need licences as their advice on investments was likely to be incidental to their professional function.

The green paper suggests that the licensing system should be made more flexible, enabling the secretary of state to defer a decision on a licence application, or suspend a licence, where the circumstances warrant. The tribunal set up under the act to consider appeals against the department's licensing decisions would be helped if information derived from inquiries under section 109 of the companies act could be made available to them. It also suggests that as section 109 applies only to corporate bodies and licence holders may trade as individuals or partnerships, the department should have the power to inspect their books and papers.

Exemptions

The present system of exemptions for dealers was really intended to avoid the necessity for banks, discount houses and similar institutions to apply for licences. However evidence suggested that some dealers had sought exemption as a status symbol, and this had given rise to problems. It was now proposed to confine the use of the present discretion to the banks, insurance companies and similar bodies that were subject to statutory supervision in their main field of activity; and to employ the licensing system to meet the needs of other kinds of financial institution.

Circulars

The green paper recalls that the present act placed a general prohibition on the distribution of circulars inviting investment, not only in securities, but also in other property such as land or wine. Again, there were exemptions to allow bona fide commercial transactions. One clarification of the law would be to define more closely people who might receive circulars, and this would remove a source of doubt. If the department was to continue to grant permission for the distribution of individual circulars, it would have to charge a fee at a level to cover the full cost of the service.

Penalties and deposits

The green paper calls for 'substantial' increases in the financial penalties for offences covered by the act, including implementation of certain provisions of the criminal law bill. The deposits required of licence holders might also be raised from the present £500 to perhaps £5,000 and might take the form of a fidelity bond.

Comments on the proposals are invited by 30 September 1977. They should be sent to Companies Administration Division, Department of Trade, Room 635, Sanctuary Buildings, 16-20 Great Smith Street, London SW1P 3DB.

Move to outlaw insider trading

Edmund Dell, Secretary of State for Trade, reaffirmed the government's intention to legislate on insider dealing and the private interests of directors in replying to a parliamentary question on 28 July. Mr Dell said that he was preparing legislative proposals to make insider trading a criminal offence and to remedy weaknesses in the law which had been demonstrated by recent company investigations, notably in connection with loans to directors and the private interests of directors. He drew attention to the publication by his department of consultative documents concerning legislation to implement the EEC second directive on company law and the future of company reports. Reports on both documents are carried in this issue of *Trade and Industry*, pages 229 and 212 respectively.

More advance factories for inner Liverpool

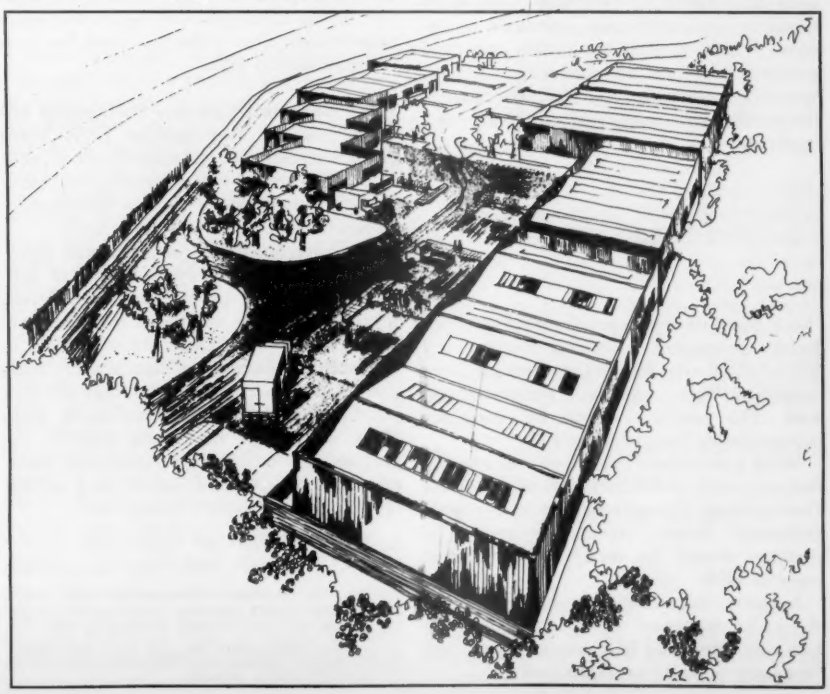
Plans to develop a six acre inner-city site in Liverpool with advance factory units especially suitable for smaller firms were announced by Alan Williams, Minister of State for Industry on 26 July. In reply to a parliamentary question he referred to his announcement on 28 February of two factory developments of terrace units of 1800 m² (19 000 sq ft) and 1000 m² (11 000 sq ft) respectively on an inner-city site at King Edward Street, Liverpool. His department was now to enter into early negotiations with the appropriate local authorities for the acquisition of the whole six acre site for a much larger factory development.

It was, Mr Williams said, intended to build 20 units on the site giving a total area of some 8200 m² (88 000 sq ft) of factory space. There would be six units each of 645 m² (6950 sq ft) and 14 of 310 m² (3350 sq ft) each, compared with the original plan comprising seven units totalling 2800 m² (30 000 sq ft). The units were expected to be completed from the end of 1978 and when occupied they would provide an estimated 350 jobs. Because of their size they would be particularly suitable for smaller firms.

In deciding to enlarge this development at King Edward Street Mr Williams had been much encouraged by the government's success in letting units on the urban advance factory developments at Rockferry, Birkenhead and at Sandon Way, Liverpool. Although construction was only now being completed at Rockferry, eight of the 16 units, totalling 2630 m² (28 300 sq ft) had already been allocated to tenants, while all six units at Sandon Way comprising 1400 m² (15 000 sq ft) had been allocated before completion. When fully operational, these two developments were estimated to provide about 500 jobs.

This initiative, he said, demonstrated the Department of Industry's continuing concern with the problems of the Merseyside special development area, one of the areas eligible for regional incentives to promote industrial investment and employment on the highest scale. The criticism was sometimes made that advance factories were remaining

Artist's impression of the planned advance factory development at King Edward Street, Liverpool.



empty too long. The answer to this was readily provided by the evidence of growing demand for modern factory space as illustrated by the example of the department's unit's at Sandon Way and Rockferry. Mr Williams recognised that within the Merseyside special development area there was a need for advance factories, particularly to cater for smaller firms within the inner areas and he welcomed the co-operation of the local authorities in making urban sites available to the department.

Advance factories are built for the Department of Industry by the English Industrial Estates Corporation. Leases are available at current market value rentals and most tenants are eligible for initial rent free periods of two years. Mr Varley, Secretary of State for Industry, announced on 27 June that in special development areas the rent free period may be extended to as much as five years in some cases. The King Edward Street site is in inner Liverpool, close to the Pier Head, in one of the areas selected by the government for a partnership with the local authorities designed to deal with inner-city problems. Larger advance factories are also available or under construction elsewhere in Merseyside on the department's industrial estates at Knowsley, Bromborough, Speke and Gillmoss.

Inquiries about tenancies may be made to the Department of Industry's North West Regional Office, Sunley Buildings, Piccadilly Plaza, Manchester M1 4BA.

Advance factories: one occupied . . .

Precision Labelling Systems Ltd are to occupy a factory of about 225 m² (2500 sq ft) built by the English Industrial Estates Corporation on the Leeming Bar Estate, North Yorks. The company has currently been manufacturing electronic high speed labelling applicators and associated equipment at Thirsk. This move into expanded production facilities will enable the company to increase output and take full advantage of the world wide demand for automatic label applicators.

. . . and three starts

Work had just been started on an advance factory comprising two terrace units each of 225 m² (2500 sq ft) for the Development Commission at Water-ma-Trout, Helston, Cornwall. The premises should be ready for occupation by the end of the year.

Work is also about to start on two advance factories, each of 450 m² (5000 sq ft) for the Development Commission on the Amble Industrial Estate, Northumberland. The premises should be ready for occupation early in 1978.

Inquiries regarding purchase or lease should be addressed to the Department of Industry's Regional Directors in Bristol and Newcastle upon Tyne respectively.

Price Commission Act: orders and regulations published

The three major statutory instruments* required to operate the new price control powers under the Price Commission Act have been laid before parliament and came into operation on 1 August. They are *The Counter-Inflation (Price Code) Order 1977*; *The Prices and Charges (Safeguard for Basic Profits) Regulations 1977*; and *The Prices and Charges (Notification of Increases and Information) Order 1977.*

The Counter-Inflation (Price Code) Order 1977. This reflects the government's decision to abandon the cost-related controls on individual price increases by manufacturing and service firms. The controls on the net profit margins of all enterprises and the gross percentage margins of distributors are retained for the one further year allowed under the Price Commission Act.

There are no major changes to these controls from the proposals in the consultative document, but a number of technical adjustments have been made in response to representations from industry. These include an extension of the provisions permitting carry-over into the new code of entitlement to investment relief which was not used under the existing code (see paragraph 47) and the exclusion from profit margin calculations of any grant received under sections 7 and 8 of the Industry Act (see paragraph 31).

As stated in the White Paper, *The Attack on Inflation after 31 July 1977* (cmnd 6882), the pay sanction provisions in the code (paragraphs 73-76) will apply through the margin controls and not through the new investigatory powers in the Price Commission Act. They will operate in support of the continuation of the 12-month rule, which the white paper makes clear is the pay limit for these purposes after 31 July.

The Prices and Charges (Safeguard for basic profits) Regulations 1977. These regulations establish safeguard levels of profit which firms are not to be prevented from earning by the operation of the new investigatory powers in the Price Commission Act.

The government has not accepted representations from industry in favour of substantial increases in the safeguard levels, which would have had the effect of severely limiting the Price Commission's scope to recommend reductions of historic profit margins in individual cases where they consider prices and profits to be unnecessarily high. However, changes have been made to the proposals set out in the consultative document to meet specific criticisms on a number of points. The principal changes are:

1 modifications to the sliding scale of safeguards for more capital-intensive manufacturers and service firms, so that the safeguard gives up to roughly 12½ per cent return on capital compared with roughly 10 per cent as proposed in the consultative document (regulation 4);

2 a new sliding scale of safeguards for distributors, allowing a higher basic margin than the 2 per cent on turnover originally proposed, where enterprises turn over their stocks less than 10 times per year (regulation 6);

3 a new provision to enable partners and proprietors to treat 50 per cent of their earnings as costs for the purposes of certain safeguard calculations (regulation 7) – this puts unincorporated bodies on a basis more nearly equivalent to companies, which may regard directors' remuneration as a cost;

4 the minimum margin which enterprises operating escalation or variation-of-price clauses in long-term contracts may obtain without any restriction under the new powers is raised from 2 per cent to 3 per cent on turnover (regulation 11); and

5 the safeguards for banks, finance houses and similar institutions have been brought more into line with the safeguards for distributors because, as for distributors, it is more practicable to consider the business of such institutions as a whole than to establish separate safeguards for the individual services they provide (regulation 23).

The Prices and Charges (Notification of Increases and Information) Order 1977. This order was not, like the other two statutory instruments, subject to statutory consultation procedures, but the information requirements associated with the new system of investigations under the Price Commission Act have been discussed informally with representatives of industry, many of whose points have been met in the new order.

The requirement under previous orders for a standard detailed breakdown of costs with all pre-notifications of price increases is replaced by the information in schedule 4 to the order, which covers a wider range of subjects (including estimates of the market share held by the relevant firm for the notified product) but in a more flexible form which will give companies greater freedom to provide information in the way in which they collect it themselves. The other main changes to the existing notification and information requirements are:

1 a 20 per cent increase in the sales limits which determine firms' categorisation for the purpose of the requirements to notify price increases, furnish periodic reports or keep records – the increase is intended roughly to take account of inflation since the limits were last changed, and the new categories were announced in cmnd 6861; and

2 exemption from pre-notification of price increases is extended to cover not only all prices and charges which are exempt from the Price Code but also certain milk products

* 'The Counter-Inflation (Price Code) Order 1977', SI 1977/1272, HMSO, price 50p; 'The Prices and Charges (Safeguards for Basic Profits) Regulations 1977', SI 1977/1282, HMSO, price 35p; 'The Prices and Charges (Notification of Increases and Information) Order 1977', SI 1977/1281 HMSO, price 60p.

(where a price increase is necessary to reflect increases in intervention prices under the CAP), manufactured meat products and new products which are subject to periods of test marketing not exceeding 12 months.

Further to the above major instruments, six sets of regulations or orders* which are technically necessary for the operation of the new prices policy from 1 August were published on 29 July.

The Prices and Charges (Adaptation of the Counter-Inflation Act 1973) Regulations 1977 are made under powers in the Price Commission Act which permit certain technical provisions in the schedules to the Counter-Inflation Act 1973, for example relating to enforcement, to be used, with appropriate amendments, in operating the new investigatory powers in the Price Commission Act. These regulations came into operation on 1 August.

The Prices and Charges (Definitions) Regulations 1977 are necessary to enable investigations into individual prices and into the margins of individual distributors to be carried out by the Price Commission under section five of the new act. That section provides that a price cannot be investigated unless it has been increased after 31 May 1977 and it requires regulations to be made defining what constitutes an increase and what are the margins of distributors which may be investigated. On the latter point, the regulations make it clear that it is the gross percentage margin on the total of a distributor's sales which is liable to investigation. These regulations too came into operation on 1 August.

The Prices and Charges (Notices and Orders) Regulations 1977 take effect on 1 August. They lay down the manner in which notices, notifications and other documents should be given or published under the policy and prescribes what is to be sufficient evidence of them having been given or published. These procedures are important under the new policy, because, for example, a notification of an investigation given by the Price Commission to the secretary of state will trigger the power to freeze the relevant price during investigation. Similarly the giving of a report on an investigation by the Price Commission to the secretary of state will result in the automatic application of the commission's recommendations for up to 28 days until the secretary of state decides what follow-up action to take.

The Prices and Charges (Designated Officers) Order 1977 formally designates Price Commission officers of higher executive officer rank and above to execute the Counter-Inflation Act and the Price Commission Act 1977 on behalf of the secretary of state. A similar order has applied since 1973 in relation to the Counter-Inflation Act. The order comes into operation on 22 August.

The Prices and Charges (Recommended Resale Prices) (Enforcement) Regulations 1977 use powers given by section 13 of the Price Commission Act 1977 to amend the enforcement provisions of the schedule to the Prices Act 1974, so that they are available to enforce any orders banning the use of recommended resale prices. Such orders may be made under section 12 of the Price Commission Act 1977 if the Price Commission so recommend after an examination of the relevant sector of industry or distribution. These regulations come into operation on 22 August.

The Counter-Inflation (Validity of Transactions) Order 1977 is an extension of a similar order which has been in force since 1973, so that it applies to the new price restriction powers in the Price Commission Act as well as to certain powers in the Counter-Inflation Act. The order provides that transactions which take place at prices in excess of limits laid down by law are not invalid, but in addition to possible prosecution of the relevant trader if he has committed an offence by charging the excessive price the order provides that the customer has the right to sue the trader for recovery of the excess amount of the price. The order came into operation on 1 August.

An order, *The Price Investigation and Examination (Exceptions) Order 1977*, which details those prices and charges exempt or partially exempt from Price Commission investigation or examination, was approved in draft by both Houses of Parliament on 27 July.

* 'The Prices and Charges (Adaptation of the Counter-Inflation Act 1973) Regulations 1977', SI 1977/1220, HMSO, price 15p. 'The Prices and Charges (Definitions) Regulations 1977', SI 1977/1221, HMSO, price 15p. 'The Prices and Charges (Notices and Orders) Regulations 1977', SI 1977/1222, HMSO, price 15p. 'The Prices and Charges (Designated Officers) Order 1977', SI 1977/1223, HSMO, price 10p. 'The Prices and Charges (Recommended Resale Prices) (Enforcement) Regulations', SI 1977/1224, HMSO, price 10p. 'The Counter-Inflation (Validity of Transactions) Order 1977', SI 1977/1225, HMSO, price 10p.

Brewing industry's operation questioned

A Price Commission report, published on 29 July, concludes that brewing is a highly concentrated industry dominated by six concerns who both brew and own the outlets. In addition there are significant barriers to entry into the industry and virtually no competition from imports. These, said the commission were the classic conditions for a monopoly which was likely to operate to the detriment of consumers. The way the trade is organised and run had a profound effect on prices and profits. The question that had to be asked is whether the present situation is in the public interest or is contrary to the public interest. The report also suggests that the investment plans of the big brewers needed careful examination. On the basis of past experience they could fail to bring any benefit to consumer or brewer. The commission do not accept that the consumer should necessarily finance expansion through higher prices.

The government are beginning urgent consultations with the beer industry about the Price Commission's report. Roy Hattersley, Secretary of State for Prices and Consumer Protection, said that the report raised important issues of public policy in relation to the pricing policy and structure of the brewing industry. In view of this, and of the fact that the Price Commission responsible for the report's preparation had completed its period of office, he had decided that a limited number of copies of the report should be printed and circulated for public discussion immediately and in advance of normal publication by Her Majesty's Stationery Office, which will take place as quickly as possible.

The commission reported that the large national brewing companies had higher prices but lower profit margins than regional and small brewers and concluded that this gave rise to fundamental questions about the trade and its organisation. It concluded that the most striking point was the degree of both horizontal and vertical integration in the industry and added that not only was brewing a highly concentrated industry, but there were significant barriers to entry and virtually no competition from imports. These were the classic conditions for a monopoly which was likely to operate to the detriment of consumers. The government, Mr Hattersley said, was urgently considering what action to take in response to these findings. Consultations with the interests concerned were beginning immediately in order to identify the best means of correcting the problems to which the report refers. In the meantime, beer prices, like other prices pre-notified to the reconstituted Price Commission, would be subject to powers under the Price Commission Act 1977, he said.

Beer Prices and Margins. Price Commission Report No. 31, available from the Price Commission, Neville House, Page Street, London SW1P 4LS. Price £2.00.

Coal prices to be displayed

The price of coal and other smokeless fuel should, in future, be more clearly displayed. Robert Maclennan, Parliamentary Under-Secretary of State for Prices and Consumer Protection announced on 28 July in reply to a parliamentary question that his department had agreed a voluntary code of practice with the retail trade. This was in line with one of the main recommendations of a Price Commission Report, published last year.

The code of practice, Mr Maclennan said, provided in general for clear price display at all commercial premises where customers might buy or place orders for fuel, as well as on vehicles hawking fuel for sale. This was a significant step forward for consumers in the retail sale of domestic fuels, he said. The code of practice, although voluntary, would be strongly reinforced by being included as a condition of the Approved Coal Merchants' Scheme.

Funeral charges: commitment to price restraint

A commitment to price restraint on funeral charges has been given by the co-operative movement, the largest funeral furnisher,

said Robert Maclennan, Parliamentary Under-Secretary of State for Prices and Consumer Protection, on 28 July.

Replying to a parliamentary question about progress on the Price Commission report on funeral charges, Mr Maclennan said that following the commission's finding that the profits of larger companies offered some scope for price restraint, this had been discussed in particular with the co-operative movement, which accounted for nearly a quarter of the national trade. The co-operative movement had announced its intention to prevent charges rising in real terms and had given an assurance that it would endeavour to restrain prices increases by vigilant containment of costs.

Mr Maclennan welcomed this commitment by the largest funeral furnisher which he felt must have a favourable effect on price restraint across the market. He also expressed an hope for a successful conclusion to talks on the code of practice for the trade which is being negotiated with the Office of Fair Trading.

No extra profit made on school uniforms

School clothing prices have kept pace with those for other clothing but no more. In a report out on 28 July, the Price Commission concludes that retailers and manufacturers made no more profit on school clothing than on children's ordinary clothing, and that the only way for parents to cut costs was to reduce the number of items needed, rely more on standard articles or combine these two suggestions.

In reply to a parliamentary question, Roy Hattersley, Secretary of State for Prices and Consumer Protection, said that he was proposing to discuss the commission's findings with the Secretary of State for Education and Science, the Secretary of State for Scotland and the Secretary of State for Wales, as well as with interested organisations.

Official appointments

Price Commission: Roy Hattersley, Secretary of State for Prices and Consumer Protection, has appointed the following nine new members to the Price Commission: Mr N. I. Bond-Williams, a director of Delta Metal Co Ltd, Mollie Bray, a housewife from Eltham in London; Mr A. J. Colman, a director within the Burton Group Ltd; Brenda Dean, a member of the National Executive of the Society of Graphical and Allied Trades; Alec Donnet, Scottish Secretary and formerly national chairman of the National Union of General and Municipal Workers; Harry Hill, administrative director of Beecham Products; Sir Noel Larmour, formerly a Deputy Under-Secretary of State in the Foreign and Commonwealth Office; Ronald Richardson, formerly deputy chairman of the Electricity Council; and Rachel Waterhouse, a member of the National Consumer Council.

Insurance brokers to be registered

Welcoming the enactment of the Insurance Brokers (Registration) Bill, Stanley Clinton Davis, Parliamentary Under-Secretary of State, Department of Trade, said that the act, which received royal assent on 29 July, was good news for prospective policy holders. Anyone taking out insurance needed help to identify the right policy and to get the best value for money. The act would improve the quality of help available.

The provisions of the act, which would probably start to be implemented in the spring of 1978, would enable the public to be confident that a registered insurance broker has satisfied an independent registration council as to his experience in the work of an insurance broker, his qualifications and his character. While in business, Mr Clinton Davis said, the insurance broker would have to obey a code of conduct and conform to rules dealing with his financial stability, his independence from insurers, the keeping of his accounts and his professional indemnity cover. The title 'insurance broker' would be reserved to these registered brokers.

In approving these rules, the government would have the interests of the small insurance broker very much in mind. It would be unfortunate for the consumer and for insurance broking if it was made difficult for the sound and competent small broker to register.

The bill, promoted by the British Insurance Brokers' Association and introduced as a private member's bill by John Page, Harrow (West), had the full support of the government. Mr Clinton Davis explained that the act complemented other important steps towards full protection of the individual buyer of insurance: the Department of Trade's Insurance Companies (Intermediaries) Regulations and the statement of insurance practice recently agreed by the members of the British Insurance Association and Lloyd's. Still ahead were decisions to be made on the framework of control of insurance agents, as foreshadowed in the Department of Trade's consultative paper, *Insurance Intermediaries* (cmnd 6715), published earlier this year.

The act in detail

The act provides for the establishment of an Insurance Brokers Registration Council which will have a majority of insurance broker members. These members will in the first instance be chosen by the British Insurance Brokers' Association, the principal brokers' organisation. Once the register is set up, they will be elected by registered insurance brokers. Five of the 17 members are to be nominated by the Secretary of State for Trade. They will include a lawyer, an accountant and a consumer representative.

The council will be required to set up a register of qualified insurance brokers. The qualifications for registration are set out in section 3 of the act. Individual brokers qualify for registration by having a professional qualification recognised by the council or an experience qualification or a combination of both. Applicants are treated as having an experience qualification if they have been employed by an insurance broker, multiple insurance agent or insurance company or have knowledge and practical experience comparable to that of an experienced insurance broker. The required period of employment or experience is three years for applicants with professional qualifications or five years otherwise. It is not necessary to be a member of one of the existing brokers' organisations in order to qualify for registration.

The entitlement to registration is conditional on the registration council's being satisfied about the character and suitability of applicants and, if they are practising, their compliance with rules relating to their solvency and independence from insurers. Individuals who are Lloyd's insurance brokers or partners in Lloyd's insurance broking firms are entitled to automatic registration; this is because the committee of Lloyd's already sets stringent standards for Lloyd's brokers.

The council is also required to set up a list of companies trading as insurance brokers. Normally, the majority of directors of the company must be registered insurance brokers for the company to qualify for enrolment on the list. The company must also comply with rules to ensure its solvency and independence from insurers. Companies trading as Lloyd's insurance brokers are entitled to automatic enrolment. The council has to publish the register and list; first publication is to be within a year of the council's formation.

The act contains full safeguards in cases where the council refuses to register or enrol an insurance broker. Before an application is refused, the applicant has a chance to appear before a committee of the council and state his case. The council must also send to any applicant who requires it a statement of its reasons for refusal. An applicant has a right of appeal to the High Court against refusal to register or enrol.

In addition to approving professional qualifications for the purposes of registration, the council can approve colleges where the skills of insurance broking are taught. The council can seek to ensure that tuition standards are being maintained by sending visitors to report on the colleges it has approved.

The council is required to draw up a code of conduct for registered brokers, which will have to be approved by the secretary of state. The code is to be indicative of what constitutes 'unprofessional conduct' rather than conclusive.

Practising insurance brokers will be required to conform to rules concerning their working capital, solvency and independence from insurers. When the rules have been made, practising brokers will also have to keep insurance broking money in a separate bank account, submit accounting returns to the registration council and take out specified professional indemnity insurance. There will be a scheme for compensating members of the

public who suffer as a result of the bankruptcy of a practising insurance broker or any negligence, fraud or other dishonesty on his part. All the rules will have to be approved by the secretary of state.

The act contains full provisions for a disciplinary procedure. The council is to set up an investigating committee and a disciplinary committee to deal with disciplinary cases. The investigating committee's task will include dealing with public complaints about registered insurance brokers. The disciplinary committee may remove from the register or list the name of a broker who has been convicted of a criminal offence or found guilty of unprofessional conduct or who is in breach of the financial or indemnity rules. There is a right of appeal to the High Court against removal from the register or list.

Not less than two years after the establishment of the registration council, when all the rules have been made and the rest of the act is in full operation, the titles 'insurance broker', 'assurance broker', 'reinsurance broker' and 'reassurance broker' will be reserved to brokers on the register or list. Titles including these words, such as 'life assurance broker', would be similarly reserved. The penalty for improper use of these titles, or for falsely pretending to be on the register or list, will be a fine.

Patents Act receives Royal Assent

The Patents Act 1977, which received Royal Assent on 29 July, substantially revises the patent system to bring it into line with modern trends. It will streamline the procedure for obtaining patents, and take account of international developments in patents.

The act has four main effects:

1 It enables UK patents to be obtained which carry a greater legal validity than before. British inventors will now obtain stronger protection for their inventions.
2 It provides a statutory basis for deciding if an invention made by an employee belongs to him or his employer; and a compensation scheme whereby employed inventors may under certain circumstances receive an award from their employers.
3 It creates a new patents court as part of the High Court, with specialist High Court judges to hear appeals.
4 It enables the UK to meet the obligations of certain international patent conventions, including the European and EEC patent conventions, which are of benefit to British industry and inventors.

Domestic patent law

The act establishes a new code of domestic law. The code is broadly similar to that of the European patent convention and the provisions of the new code are substantially aligned with those of the European system so as to avoid any duality of standards between British patents and European patents effective in this country.

The new code sets out the basic criteria which an invention must satisfy to be patentable. It must be new, involve an inventive step and be capable of industrial application. The act allows, for the first time, inventiveness to be considered by the Patent Office before granting a patent. This is a significant change which brings the UK system very much in line with the new European system and the systems of most other industrialised countries, and should increase the presumptive validity of British patents.

The new code establishes an early publication and search system whereby applications will be searched and published before they receive a substantive examination in the Patent Office. This will allow applicants to assess the worth of the application before being committed to a rigorous substantive examination. It will also alert third parties, at an early stage, to the existence of the application. If the application proceeds to grant, the granted patent will be published. Once granted, the patent will have a maximum possible life of 20 years as opposed to the current 16 years.

The act provides, for the first time, a statutory definition of infringement. Broadly, this consists of the unauthorised manufacture, working or use of a patented product. It includes what is known as 'contributory infringement' which occurs where someone is able to secure advantage from a patent, to the detriment of the patentee, but without directly using the patented invention itself. An applicant will also have the right to sue in respect of an infringing act committed after early publication of his application, but this right will only be exercisable after grant.

Current British patent law is based on the Patents Act 1949 which is superseded by the 1977 act. Broadly speaking, patents granted under the 1949 act will continue to be governed by that act, but the new act provides for some exceptions. One of the most important is that existing patents with more than five years to run will have their term automatically extended from the present 16 years to 20 years.

The patents court

The act provides for the establishment of a patents court, as part of the High Court, to hear cases both at first instance and on appeal from decisions given in the Patent Office. At present, appeals from Patent Office decisions are heard by the Patents Appeal Tribunal whose status is below that of the High Court. The new court will consist of specialist High Court judges nominated by the Lord Chancellor. It will be possible for the court to be assisted by scientific advisers in appropriate cases.

Employed inventor provisions

The act replaces the existing common law test of the ownership of inventions with a statutory provision which gives ownership to the employed inventor, except where the invention was made in the course of the duties for which he was employed. This provision is reinforced by a further provision of the act whereby the rights of employees in inventions made by them may not be diminished by contract. The act also provides that where an employer owns an invention made by his employee and obtains a patent for it, the employee may claim an award of compensation from the employer if the patent has been of outstanding benefit to him. Where the invention initially belongs to the employee but he assigns it to his employer, the employee will remain entitled to a fair share of the benefit of the patent for the invention.

International agreements

The act enables the UK to fulfil the obligations imposed by the Strasbourg convention, the European patent convention, the community patent convention and the worldwide patent co-operation treaty. The Strasbourg convention merely provides for the unification of certain points of substantive law and its provisions are embodied in the European patent convention.

The European patent convention provides for the establishment of a European Patent Office in Munich to grant, on the basis of a single application, a European patent having the effect of a national patent in as many of the contracting states (including both EEC and non-EEC countries) as the applicant desires. This will give much advantage to industry and inventors in terms of cost and convenience by greatly simplifying the process of obtaining protection throughout most of Europe. The UK has already ratified the convention, which has now received sufficient ratifications for it to come into force on 7 October 1977.

Under a protocol to the convention, it has been agreed that, for a transitional period of 15 years, some of the European patent work will be entrusted to the British Patent Office. The European and UK patent systems will co-exist side by side. Although inevitably the input to the British Patent Office will reduce as the European Patent Office builds up, there is no intention to close the British Patent Office.

Under the community patent convention, unitary patents effective in all EEC states will be granted by the European Patent Office – this being a further simplication for obtaining patent protection in Europe. The convention is, however, not expected to enter into force until 1980, at the earliest.

The patent co-operation treaty is a work-sharing arrangement of potentially worldwide extent which, by centralising the processing of international patent applications in a few major patent offices (including the British Patent Office), should eliminate wasteful duplication of work and make international patenting simpler for applicants over a wider area than Europe. It is possible that this treaty will enter into force later in 1977.

The government has already ratified the European patent convention and will thus become a founder member of the European Patent Office. It intends to ratify the other agreements in due course.

It is expected that the substantive provisions of the new act and those relating to the European convention will come into force on 1 June 1978, the planned date for the opening for business of the European Patent Office.

Long-term insurance practice

Discussions between leading life assurance companies and the government have resulted in a statement of long-term insurance practice. Stanley Clinton Davis, Parliamentary Under-Secretary of State for Companies, Aviation and Shipping, gave the following details of the new statement in reply to a parliamentary question on 29 July.

STATEMENT OF LONG-TERM INSURANCE PRACTICE

This statement relates to long-term insurance effected by individuals resident in the UK in a private capacity. Although the statement is not mandatory, it has been recognised by members of the LOA and ASLO as an indication of insurance practice, it being understood that there will sometimes be exceptional circumstances where the statement would be inappropriate.

Industrial life assurance policyholders are already protected by The Industrial Assurance Acts 1923 to 1968 and regulations issued thereunder, to an extent not provided for ordinary branch policyholders. The statement will, therefore, be modified in its application to industrial assurance business in discussion with the Industrial Assurance Commissioner.

Life assurance is either very largely or else entirely a mutual enterprise and the aim of the industry in recent years has been to reduce to a minimum the formalities (and therefore the expense to the policyholder) involved in issuing a new life policy subject only to the need to protect the general body of policyholders from the effects of non-disclosure by a small minority of proposers.

1 Claims

a An insurer will not unreasonably reject a claim. (However, fraud or deception will, and negligence or non-disclosure or misrepresentation of a material fact may, result in adjustment or constitute grounds for rejection.) In particular, an insurer will not reject a claim on grounds of non-disclosure or misrepresentation of a matter that was outside the knowledge of the proposer.

b Under any conditions regarding a time limit for notification of a claim, the claimant will not be asked to do more than report a claim and subsequent developments as soon as reasonably possible.

2 Proposal forms

a If the proposal form calls for the disclosure of material facts a statement should be included in the declaration, or prominently displayed elsewhere on the form or in the document of which it forms part:

i drawing attention to the consequences of a failure to disclose all material facts and explaining that these are facts that an insurer would regard as likely to influence the assessment and acceptance of a proposal; and

ii warning that if the signatory is in any doubt about whether certain facts are material, these facts should be disclosed.

b Those matters which insurers have commonly found to be material should be the subject of clear questions in proposal forms.

c Insurers should avoid asking questions which would require knowledge beyond that which the signatory could reasonably be expected to possess.

d The proposal form or a supporting document should include a statement that a copy of the policy form or of the policy conditions is available on request.

e A copy of the proposal should be made available to the policyholder when an insurer raises an issue under that proposal – information not relevant to that issue being deleted where necessary to preserve confidentiality.

3 Policies and accompanying documents

Life assurance policies or accompanying documents should indicate:

a The circumstances in which interest would accrue after the assurance has matured; and

b Whether or not there are rights to surrender values in the contract and, if so, what those rights are.

(*Note:* The appropriate sales literature should endeavour to impress on proposers that whole life or endowment assurance is intended to be a long-term contract and that surrender values, especially in the early years, are frequently less than the total premiums paid.)

4 Commencement

Any changes to insurance documents will be made as and when they need to be reprinted but the statement will apply in the meantime.

Mr Davis said that the chairman of the Linked Life Assurance Group had also written to inform him that the terms of the statement are acceptable to the member companies of the group on the same basis as to members of the LOA and ASLO. The British Insurance Brokers' Association was asking its members to act in accordance both with this statement and with that drawn up by the British Insurance Association and Lloyd's in respect of non-life insurance business, insofar as the two statements are applicable to insurance brokers.

New chairman for National Consumer Council

Economist and former journalist Michael Shanks is to succeed Michael Young as chairman of the National Consumer Council on 17 October.

Making the announcement in reply to a parliamentary question from Austin Mitchell (Grimsby) on 29 July, Roy Hattersley, Secretary of State for Prices and Consumer Protection, said that Michael Young had informed him that he wished to relinquish the chairmanship of the Council before his present term expired in order to devote more time to his other commitments. He had accepted his resignation with regret. He was sure the house would join him in paying warm tribute to all he had done in establishing the council's role and influence.

Michael Shanks

Suggestions wanted for consumer representatives

Robert Maclennan, Parliamentary Under-Secretary of State for Prices and Consumer Protection, has asked that anyone who knew of suitable people to serve on the Scottish Consumer Council or other consumer bodies should let his department know for consideration when suitable vacancies arose.

Mr Maclennan announced, in reply to a parliamentary question, that he was considering new appointments to the Scottish Consumer Council and would be visiting Glasgow next month to see a number of candidates. He added that when selecting members for this and other consumer protection bodies in Scotland he was always happy to receive names from as wide a variety of sources as possible and was particularly concerned to ensure representation of the less privileged sections of the community.

The Scottish Consumer Council is the Scottish arm of the National Consumer Council. It carries on the work of the NCC in Scotland with respect both to the problems facing consumers throughout the UK and to those particularly facing Scottish consumers. Its chairman is Joan Macintosh, who is also vice-chairman of the NCC. Any organisation or person wishing to submit nominations for appointments to consumer bodies should write to Room 516, Department of Prices and Consumer Protection, 1 Victoria Street, London SW1H 0ET.

Guidelines on current cost information to be issued

As a matter of urgency, the Accounting Standards Committee plans to make available simple guidelines to enable companies to give basic current cost information. The intention is that the guidelines will be made available in time to supplement historical cost information for major companies' results for the year ending 31 December 1977. The committee has issued a statement of intent.*

The guidelines will recommend procedures for supplementing historical cost results with current cost information in respect of the cost of sales adjustment and the depreciation charge. They will also give a method of adjustment to take account of the effects of gearing. Many companies are already giving current cost information and the committee will, with Stock Exchange, CBI and government support, seek means to encourage all major companies to adopt the proposals in their next published accounts.

In the meantime the committee and the inflation accounting steering group will continue work on the development of an acceptable and workable system of price level accounting for issue as an accounting standard or standards.

* 'Price Level Accounting – Statement of Intent by the Accounting Standards Committee'. Copies available from The Institute of Chartered Accountants in England and Wales, Moorgate Place, London, EC2. Quote reference TR 243.

Government sales

Ministry of Defence

Sales by auction

10 August 1977—Miscellaneous stores

Location
Colchester

Auctioneers
Fenn Wright Garrod Turner (Dept. L), 146 High Street, Colchester, Essex CO1 1PW (tel. 0206 46161)

To be included in this sale are: 36 mobile homes.

17 and 18 August 1977—Vehicles

Location
RAOC Depot, Ruddington, Notts

Auctioneers
Walker Walton and Hanson (Dept. L), Byard Lane, Bridlesmith Gate, Nottingham (tel. 0602 54272)

300 commercial vehicles including heavy duty trucks and tractors by AEC, Leyland and Scammell, Bedford trucks and tractor units, mobile cranes, Morris 1 ton trucks. 350 saloons, limousines, estates, minibuses, light vans, coaches and Land-Rovers.

20 August 1977—Furniture

Location
RAF North Coates (nr Grimsby)

Auctioneers
Bartle and Son, 52 Merrion Street, Leeds 2 (tel. 0532 450898)
The sale is of mainly small or single item lots of furniture lying at RAF North Coates.

25 August 1977—Miscellaneous stores

Location
Golden Lion Hotel, Stirling

Auctioneers
Dixon and Wallace (Dept L), Bank Buildings, Graham Square, Glasgow 3 (tel. 041-554 2447)
The stores are lying at various depots in Scotland and include vehicles, plant and machine tools, engineering stores, clothing and furniture.

Catalogues which give details of the lots, conditions of sale, viewing times etc, are available from the auctioneers from two weeks before and up to the day of the sale, price 20p, postage and packing 10p extra (postal orders only).

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Industrial Auctioneers and Surveyors

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Date	Description	Situation	Client
27 July	Contractors plant, tipper wagons, woodworking machinery	Nelson	John Bailey
28 July	Contractors plant, tipper wagons, 35 ft. fishing cruiser	Liverpool	Practical Demolition
3 Aug.	Contractors plant and vehicles	Preston	Water Authority
24 Aug.	Garment manufacturing plant	Antrim, N.I.	Maryville Mfg.
21 Sept.	Carpet manufacturing plant	Runcorn	Bremworth Carpets
28 Sept.	Garment Manufacturing plant	Rochdale	Alderglen
29 Sept.	Candle Manufacturing plant	Strabane, N.I.	Scan
5 Oct.	Feed and Flour Milling plant	Newport Pagnell	F. Coales

Catalogues (when available) from the Auctioneers at:

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53 KING STREET, MANCHESTER M2 4LR
Tel. 061-832 8271

ENCIRCLE TI 560 ON PAGE 263 FOR FURTHER INFORMATION

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Parliament

Monday, 25 July

Council of ministers meetings

Kenneth Clarke (Rushcliffe) asked the Secretary of State for Industry, why he failed to call any meeting of the council of ministers to discuss industrial policy matters throughout the entire period of Great Britain presidency of the EEC.

Mr Williams said that the council of ministers (foreign affairs) was competent to deal with all questions as required, including industrial policy matters. Several such matters were handled by the council during the United Kingdom presidency, including steel and shipbuilding but there was at no time a sufficient body of industrial policy matters requiring the council's attention to justify calling a special meeting of the council attended by industry ministers.

British Leyland ordering

Kenneth Clarke (Rushcliffe) asked the Secretary of State for Industry, on how many occasions British Leyland had given advance warning to his department that there was a prospect of an order by British Leyland for machine tools or equipment being placed overseas; and what action his department took when it received such warnings.

Mr Huckfield replied that the department was recently notified of several major projects where foreign purchases were contemplated. These had been discussed with the company before it had taken its final decisions. The purpose of such discussions was to ensure that the company gives full and proper consideration to available British alternatives.

Regional assistance

Paul B. Rose (Manchester, Blackley) asked the Secretary of State for Industry, whether he would now afford development area status to Manchester district and North East Lancashire, in the light of the decline in industry and job opportunities in the North West and inner city areas.

Mr Cryer explained that as Manchester and North East Lancashire were intermediate areas they were already eligible for a wide range of assistance to promote investment and employment. He did not consider that he would be justified in designating them as development areas. Manchester and Salford were among the local authorities to which the government had offered partnership agreements in order to tackle the problems of the inner cities.

Inland telegrams

Clement Freud (Isle of Ely) asked the Secretary of State for Industry, what was the current volume of inland telegrams; and if he would publish a table showing the number of inland telegrams in each of the last six years.

Mr Kaufman gave the information for the six years to 31 March 1976, as published in the Post Office report and accounts:

Year	Number of inland telegrams ('000)
1970/71	6667
1971/72	6847
1972/73	7303
1973/74	7252
1974/75	6200
1975/76	4230

The report and accounts for the year ending 31 March 1977 would be published very shortly.

Eastleigh airport

David Price (Eastleigh) asked the Secretary of State for Trade, what discussions had taken place between his department and the Hampshire County Council about the future of Eastleigh Airport; and if he would make a statement.

Mr Clinton Davis said that there had been no discussions with the Hampshire County Council about Southampton (Eastleigh) Airport. However, the county council's written comments on the development of airports in their area were being carefully considered in the government's review of airports policy, on which it was hoped to make a statement in the autumn.

Company reports

John Cronin (Loughborough) asked the Secretary of State for Trade, if he would take steps to ensure that company reports indicated as accurately as possible the effects on the figures they showed of inflation, capital spending allowances and stock appreciation tax relief; and what steps he intended to take to bring about the general acceptance of current cost accounting as a basis for company reports instead of the figures which were now published by nearly all companies in their reports.

Mr Clinton Davis said that proposals had already been put forward by the accountancy profession, in exposure draft 19 issued by the accounting standards committee, which would, if implemented, require companies to provide the information on their taxation position sought by the secretary of state.

On 7 July, the government reaffirmed its desire that current cost accounting should become the basis for the preparation of company accounts as soon as practicable. The accounting standards committee were well aware of the urgent need to work out a generally acceptable basis for an accounting standard, as they indicated in their statement of 29 June, and he was confident that the efforts of the Morpeth Group would be directed towards achieving this objective.

Consumer advice

Bruce George (Walsall South) asked the Secretary of State for Prices and Consumer Protection, if he would consider funding Walsall District Council in its intention to maintain a shoppers shop, in view of the decision taken by the West Midland County Council in this matter.

Mr Hattersley replied that he was pleased to hear of Walsall District Council's initiative and would have been willing to consider any reasonable application from the council for funding under the consumer advice grant scheme for this financial year. Any responsible body or person might apply for a grant to maintain consumer advice centres. The terms of the Local Government Act 1972, however, required that a district council should have approval from the county council of the area to provide consumer advice. He was aware of other county councils giving such approval, but he understood that in this instance West Midlands County Council had rejected Walsall District Council's application. He very much deplored this decision which effectively seeks to deprive Walsall residents of a valuable consumer advice service.

Metrication

Roy Hughes (Newport) asked the Secretary of State for Prices and Consumer Protection, when he proposed to lay orders to bring about metrication in the retail sector.

Mr Fraser said that most goods in the retail sector might already legally be sold in metric quantities but in the Weights and Measures Etc Act 1976 the government took enabling powers to phase out the use of imperial units. His department's report published earlier this year outlined a suggested framework for the completion of the metrication changeover, and detailed consultations were now taking place on this. As a first step, orders cutting off imperial prescribed quantities for sugar and establishing metric prescribed quantities for cocoa and chocolate powders were laid before Parliament on 12 July.

Ministers

Department of Industry

Secretary of State: Eric Varley
Ministers of State: Alan Williams
Gerald Kaufman
Parliamentary Under-Secretaries of State: Robert Cryer
Leslie Huckfield

Department of Trade

Secretary of State: Edmund Dell
Parliamentary Under-Secretaries of State: Michael Meacher
Stanley Clinton Davis

Department of Prices and Consumer Protection

Secretary of State: Roy Hattersley
Minister of State: John Fraser
Parliamentary Under-Secretary of State: Robert Maclennan

Petrol prices

Fred Silvester (Manchester, Withington) asked what arrangements were being made for the alteration of petrol pump prices following the reduction of excise duty in August.

Mr Maclennan replied that under the Price Code the reduction of excise duty on 8 August had to be passed on in full in lower prices. Any complaints of dealers taking unfair advantage of the motoring public would be carefully investigated. The petrol price display order which comes into effect on 12 August would also protect motorists' interests by requiring prices to be clearly displayed.

Consumer complaints

Eddie Loyden (Liverpool, Garston) asked which commercial activities had led to the greatest number of complaints at consumer advice centres in the last 12 months.

Mr Fraser said the information available did not separately identify consumer complaints made to consumer advice centres. Details of complaints received by a number of advice services, including these centres, were provided in the latest annual report of the Director General of Fair Trading which was laid before parliament on 10 March. The greatest number of complaints were about motor vehicles, followed by clothing and furniture.

CAP effect on price index

Peter Blaker (Blackpool South) asked what increase in the retail price index over the last 12 months had resulted from the common agricultural policy of the European community.

Roy Hattersley said that the increase was roughly one-half of 1 per cent.

National Consumer Council

Bryan Davies (Enfield North) and Marcus Lipton (Lambeth Central) asked what subjects were currently being investigated by the National Consumer Council.

Mr Fraser replied that at the secretary of state's request the council was at present considering tenant involvement in the repair, maintenance and improvement of council housing, It also investigated a wide range of subjects on its own initiative.

Cost of living
Edwin Wainwright (Dearne Valley) asked the Secretary of State for Prices and Consumer Protection, what had been the percentage increase in the cost of living during the past 12 months at the latest available date; what were the figures on the corresponding date for the two previous years; and what action he was taking to bring the future percentage down; and Peter Bottomley (Greenwich, Woolwich West) asked whether the Secretary of State would give the three-monthly increase in the retail price index expressed at an annual rate.

Mr Hattersley said the percentage increase in the cost of living over the 12 months to June 1977, as measured by the retail prices index, was 17.7 per cent. In the 12 months to June 1975 and June 1976 it was 26.1 and 13.8 per cent respectively. The most recent three-monthly increase was 4.4 per cent to June 1977. For what it was worth, this gives a figure of 19 per cent on an annualised basis. The rate of inflation was expected to fall substantially in the months ahead, as foreshadowed in the chancellor's forecasts. The measures announced by the chancellor on 15 July and the Price Commission Act will reinforce this expected deceleration.

Food prices
Tony Durant (Reading North) asked the Secretary of State for Prices and Consumer Protection, whether he would give the latest recorded percentage increase in food prices since February 1974.

Mr Maclennan stated that excluding seasonal foods the retail food index had increased by 86 per cent from February 1974 to June 1977 or 20.5 per cent expressed at an annual rate. Over the same period the figure including seasonal food was 92 per cent or 21.6 per cent at an annual rate.

Wholesale price index
John Wakeham (Maldon) asked for the latest recorded percentage increase in the year on year wholesale prices index.

Mr Hattersley said that the wholesale prices index of the output of manufacturing industry rose by 20.9 per cent in the year ending June 1977 but the index for inputs of materials and fuel rose by 15.2 per cent, about half of the January figure.

Hire purchase interest rates
Audrey Wise (Coventry South West) asked the Secretary of State for Prices and Consumer Protection, if he would now require hire purchase companies to disclose the real rate of interest which they charge.

Mr Fraser said the statutory formula employed where interest rates were shown in current hire-purchase advertisements gave only an approximation. He was having consultations about new regulations under the Consumer Credit Act which would apply to all types of credit and which for the first time would allow consumers to compare the effective annual percentage rate of charge of all kinds of credit transactions.

Consumer advice
Michael Morris (Northampton South) asked the Secretary of State for Prices and Consumer Protection, whether citizens' advice bureaux were to be encouraged to expand their service in giving consumer advice or whether it was his policy that they should disband these in favour of local authority advice centres.

Mr Fraser said he considered both types of service to be extremely valuable, and complementary. That is why his department was this year providing grants totalling £4.5 million towards the work of both citizens' advice bureaux and consumer advice centres.

International plugs and sockets
Nigel Spearing (Newham South) asked the Secretary of State for Prices and Consumer Protection, what reply he had sent to any representations from the British Standard Institution concerning the proposed international 16 amp plug and socket system.

Mr Fraser said that government comments had been sent to the British Standards Institution by his department, on proposals leading to a voluntary international standard for a new and unique system of electrical plugs and sockets. These proposals, although fundamental, did not specify a complete system and until full details of this were available the government cannot endorse their formal acceptance.

Price of apples
Joan Lestor (Eton and Slough) asked what had been the percentage increase in the price of apples since May 1976.

Mr Maclennan replied that the average retail price of cooking apples rose by 9 per cent between May 1976 and June 1977. The price of dessert apples increased by 66 per cent largely because of a marked reduction in supplies from South Africa, Australia and New Zealand due to poor crops.

Food price rises
Hugh Dykes (Harrow East) asked the Secretary of State for Prices and Consumer Protection, if he will list those domestic food products where the average known retail prices have risen by more than 20 per cent in the last 12-month period for which figures are available.

Mr Maclennan said that the list comprised: some cuts of lamb, some varieties of fruit and vegetables and of fish; milk, cheese, margarine, lard, bread and flour, chicken, tea and coffee.

Prices policy consultation
John MacGregor (Norfolk South) asked the Secretary of State for Prices and Consumer Protection, what representation he had received on the consultation document on prices policy, command paper 6861.

Mr Hattersley said that he had received representations from industry urging relaxations both in the margin controls and in the safeguards under clause 9 of the Price Commission Act. He had also been urged by representatives of consumers and wage-earners to ensure that the safeguard regulations were not so closely related to historic levels of profit as to undermine the effectiveness of the prices policy.

Manufacturers' liability
Michael Ward (Peterborough) asked the Secretary of State for Prices and Consumer Protection, if following the Law Commission's reports, he would seek to impose strict liability on manufacturers for defective products which cause death or injury.

Mr Fraser replied that he had read the Law Commissions' report and noted that it proposed a system of strict liability without fault for death or personal injury caused by defective products. He intended to consult widely on the implications of introducing strict liability as recommended and on the proposed EEC directive about which the Law Commissions were critical.

Food subsidies
Ian Gow (Eastbourne) asked the Secretary of State for Prices and Consumer Protection, what was his latest estimate of the cost of food subsidies during the current financial year and during the year ending 5 April 1979.

Mr Hattersley said it was about £220.5 million in 1977-78. In 1978-79 expenditure would depend upon the rate of the EEC butter subsidy then applicable; this had not yet been decided by the council of ministers.

Retail price index
William Molloy (Ealing North) asked for the rate of increase in the retail price index during the period phase 2 has been in operation.

Mr Maclennan said that between August 1976 and June 1977 the retail price index had risen 15.8 per cent.

Consumer protection
Frank Hooley (Sheffield, Heeley) asked the Secretary of State for Prices and Consumer Protection, what specific use he proposed to make of the £3 million proposed in the Price Commission Bill to be used for the general purpose of consumer protection.

Mr Fraser answered that a grant of about £3.5 million was being made available this year to cover the costs of 120 consumer advice centres and over 250 local price surveys.

Brewers' prices
Betty Boothroyd (West Bromwich West) and John Cronin (Loughborough) asked the Secretary of State for Prices and Consumer Protection, whether, in addition to the current investigation by the Prices Commission of the prices and profit margins of the major breweries, he would refer to the commission the increase recently proposed by the brewers and when he expected the commission to report on this matter.

Mr Maclennan said that the current round of price increases by the major brewers had already been scrutinised by the Price Commission to make sure that they conformed to the price code. The commission had shown themselves willing and able to cut back proposed price increases which were not in line with the code, but he understood that in these cases they had found no grounds for objecting. The secretary of state hoped to receive very shortly the commission's report on the brewing industry and the need for further action would be considered in the light of that report.

Restaurant meals
John Osborn (Sheffield, Hallam) asked what was now the index, or average cost per meal, for eating out in London, and outside London, respectively: and how this compared with comparative indices for 1 April 1977, 1 April 1976, 1 April 1974 and 1 April 1970, respectively.

Mr Maclennan said that information collected for the general index of retail prices showed that in June 1977 the average cost of meals in restaurants and cafés was 3 per cent, 22 per cent, 79 per cent, and 213 per cent higher than in April 1977, April 1976, April 1974 and April 1970 respectively. No comparable information was available on a regional basis.

Retail price index
Tim Renton (Mid-Sussex) asked the Secretary of State for Prices and Consumer Protection, whether he would give the percentage increase in prices excluding seasonal foods over the last six months.

Mr Maclennan said the increase in the retail price index excluding seasonal foods in the six months ended June 1977 was 9.4 per cent.

Tuesday, 26 July

Street traders
Ian Wrigglesworth (Teesside, Thurnaby) asked the Secretary of State for Prices and Consumer Protection, if he would take steps to prevent street traders from overcharging visitors to London.

Mr Maclennan replied that most street traders selling ice cream, soft drinks and snacks at excessive prices were in fact unlicensed. Part of the problem was to ensure that action was taken against such operators. The police and the courts were active in trying to stop unlicensed trading. Clearly it would help if fines were more substantial and magistrates could assist in this respect. At the same time local authorities and others might be able to encourage legitimate traders with reasonable charges, as has been done at Westminster Abbey. The City of Westminster was now issuing badges to identify licensed traders.

The problem of overcharging did of course run deeper. The London Tourist Board warned tourists in their leaflets and he had written to ask whether they could take further steps to bring the risk more to tourists' attention. The department was also in touch with local authorities to assess the scale of the problem outside London and to see whether other action might protect tourists and others without imposing an unreasonable burden upon ordinary traders.

European regional development fund
Michael Neubert (Havering, Romford) asked what tourist projects in the United Kingdom had received support from the European regional development fund; and whether further applications had been submitted for consideration.

Mr Meacher said that the fund management had agreed to pay a contribution towards six hotel projects, two holiday villages and one caravan site in England. Applications related to tourism projects in Northern Ireland, Scotland and Wales were the responsibility of the respective secretaries of state. Other applications would be considered as suitable cases arise and a number of infrastructure projects aided by the fund had some tourism content.

Intervention fund
Kenneth Warren (Hastings) asked the Secretary of State for Industry, how much of the £65 million intervention fund announced by him on 24 February 1977 had been spent to date; and what percentage price reductions this

fund had produced in the cost of ships built in British yards.

Mr Kaufman stated that of the total so far committed, expenditure from the fund up to 17 July was £1.38 million. The effect of the fund on the selling price of the ship was a matter for the company and the Department of Industry.

Company location

Robert Kilroy-Silk (Ormskirk) asked the Secretary of State for Industry, how many companies were known by his department to be considering locations: (a) Merseyside, (b) in the north-west, (c) in the northern region, (d) in Scotland, and (e) in Wales.

Mr Cryer gave the following estimates:

Merseyside	125
North West other than Merseyside	100
North	34
Scotland	150
Wales	34

Small firms

David Mitchell (Basingstoke) asked the Secretary of State for Industry, if he would give a revised version of the statistical definition of small firms adopted by the Bolton committee, command paper 4811, page 3, in line with the subsequent movement in the latest figure for the retail price index, in order to embrace the same kind of firm as was originally considered by the committee.

Mr Cryer said that updating the turnover figures in the Bolton report in line with the retail price index for June 1977 produced the following results:

Retailing	£114 800
Whole trades	£459 200
Motor trades	£229 600
Miscellaneous services	£114 800

The retail sales price index might be regarded as a more appropriate index for the retail sector, and on that basis, the current equivalent turnover value for that sector would be £108,000. No adjustment appeared to be necessary for the manufacturing, construction, mining/quarrying, road transport, or catering sectors.

Spun cotton yarn

Cyril Smith (Rochdale) asked what was the production of spun cotton yarns in million kilograms in 1957, 1967, 1975 and 1976, in France, Belgium, the Netherlands, Western Germany, Italy and the United Kingdom, respectively.

Mr Cryer replied that the production of spun yarns (including waste yarns) of cotton was as follows:

Million kilograms

	1957	1967	1975	1976
France	265.0	234.7	172.7	190.6
Belgium	111.4	65.3	42.1	n.a.
Netherlands (b)	73.8	55.9	29.3	32.7
Federal Republic of Germany	308.0	249.7	192.1	208.0
Italy	175.5	194.6	138.1	161.2
United Kingdom	329.9	174.0	100.2 (a) (b)	106.9 (b)

(a) 53 weeks (b) includes mixture yarns predominantly of cotton.
Source: Textile Statistics Bureau

Sperm oil

Doug Hoyle (Nelson and Colne) asked what proportion of the total sperm oil produced by the whaling industry was represented by the 8500 metric tonnes imported in 1976; why it was increasing; what steps were being taken to reduce it; if he would prohibit the importation of sperm oil; and what steps were being taken to find a substitute for sperm oil.

Mr Cryer said that precise figures were difficult to arrive at in this worldwide industry, but he understood that the United Kingdom imported about one-sixth of all the sperm oil produced by the whaling industry in 1976. The long-term trend in imports of sperm oil was not, however, an increasing one. The Secretary of State for Trade provided figures on 25 April which showed that there had been a steady decline in imports of sperm oil since 1970; in that year 14 341 metric tonnes had been imported. Whilst the 8528 metric tonnes imported in 1976 represented a slight increase on the previous year this was regarded as exceptional. Figures for the first half of this year showed that 2887 metric tonnes of sperm oil were imported to the United Kingdom. If a similar level was maintained throughout the remainder of the year, 1977 imports would be lower than at any time this decade.

He was not going to prohibit importation, since to do so would cause serious employment losses and damage to exports in those industries dependent upon sperm oil in their manufacturing process. Vigorous steps were being taken to find substitutes for the oil's many industrial applications, and these had enjoyed some success in the engineering sector. As yet, however, no substitute had been found for sperm oil in the leather industry, one of the major users.

His department was keeping in touch with the British Leather Manufacturers' Research Association which had for some time been active in the search for substitute oils. This association prepared the report, commissioned by the Department of Industry, entitled *The Utilisation of Sperm Oil by the Leather Industry*, which highlighted the difficulties companies in the leather industry would face in finding substitutes for sperm oil. Officials of his department were encouraging a co-ordinated approach to research into substitutes, and to this end his department had commissioned the British Leather Manufacturers' Research Association to carry out a further programme of research into the properties and use of sperm oil in the leather industry as an initial attempt at obtaining substitutes.

Second class mail

Clement Freud (Isle of Ely) asked what was now the average delivery time of second class mail.

Mr Kaufman replied that more than 50 per cent of second class mail was delivered within two working days of its collection.

Leyland small car project

Doug Hoyle (Nelson and Colne) asked the Secretary of State for Industry, what discussions took place with British Leyland, when the new mini project was discussed, in relation to purchasing the requirements for the project in the United Kingdom; what proportion of the orders for this had been placed in the United Kingdom, and what proportion overseas; and what discussions had taken place between British Leyland, the NEB and his department on this project.

Mr Huckfield said that under arrangements established between his department and the company, there had been a number of discussions about likely orders of equipment for the new small car project. He understood that few if any orders had so far been placed for equipment specific to this project. The new project itself had been discussed between his department and the National Enterprise Board on a number of occasions. It was his department and British Leyland's policy that they should buy British wherever this was commercially practicable.

Industrial development certificates

David Madel (South Bedfordshire) asked how many industrial development certificates have been approved in the South Bedfordshire parliamentary constituency in each of the past 10 years.

Mr Cryer said that statistics for industrial development certificates were not available in respect of parliamentary constituencies. The number of industrial development certificates approved for locations in the employment office areas of Dunstable, Luton and Leighton Buzzard were as follows:

1967	29
1968	43
1969	38
1970	43
1971	24
1972	34
1973	21
1974	10
1975	10
1976	10
1977 (January-May)	3

Note: Industrial development certificate exemption limits were altered in December 1970, July 1972, September 1974 and May 1976.

Wednesday, 27 July

Power plant industry

Kenneth Clarke (Rushcliffe) asked whether the government and the National Enterprise Board would now withdraw from any part in negotiations over proposed mergers of turbo-generator manufacturing and boiler-making companies following the order for Drax B and the Central Electricity Generating Board's withdrawal of its offer of a minimum plant ordering programme.

Mr Williams said that the government had no powers to force the objective recommended by the CPRS of an eventual re-structured industry; it depended on the voluntary agreement of the companies concerned. The NEB would play a part if required.

Cotton spinning

Cyril Smith (Rochdale) asked what were the number of spindles in the spinning industry (cotton system) in 1957, 1967 and 1976 in France, Belgium, the Netherlands, Western Germany, Italy and the United Kingdom, respectively, and if the figure was not available for 1976, in 1975.

Mr Williams said that the number of spindles in place in the cotton system spinning industry was as follows:

thousands

	Dec 1957	Dec 1967	Sept 1976
France	6 314	4 105	3 026
Belgium	1 590	1 121	804
Netherlands	1 047	657	356
Federal Republic of Germany	6 028	4 672	3 592
Italy	5 441	4 324	3 657
United Kingdom	22 004	4 259	2 424

Sources: International Federation of Cotton and Allied Textile Industries and Eurocotton.

Man-made fibres

Michael Grylls (North West Surrey) asked the Secretary of State for Industry, further to his reply on 16 November 1976, what action had been taken on the recommendation from the sector working party on the man-made fibres industry concerning discussions between the EEC and the United States about man-made fibre cloth imports and differential feedstock prices in favour of United States industry, which they recommended should be extended to man-made fibres and yarns.

Mr Williams replied that the question of the comparative advantage gained by United States producers of man-made fibres and man-made fibre products from lower priced oil feedstock was still under consideration within the department and the man-made fibre sector working party.

Scientific instruments

Michael Grylls (North West Surrey) asked what action had been taken to remedy the shortage of medium term finance in the scientific instruments sector of industry.

Mr Williams said that the product and process development scheme announced recently offered support for the development of new products and was open to companies in the scientific instrument sector. In addition, a scheme of assistance for the automation and instrumentation sector was likely to be introduced in the near future. These measures should go a considerable way to alleviate any shortage of medium term finance for this sector of industry.

Heating and ventilating equipment

Michael Grylls (North West Surrey) asked the Secretary of State for Industry, further to his reply on 17 November, what action had been taken following the recommendation from the sector working party on the heating and ventilating equipment industry that the government and public authorities should make information on future public sector demand and on the marketing strategies of the fuel industries available to the sector working party and to the companies in the industry.

Mr Williams replied that the sector working party had been asked to specify the type of information which would be of most use to the industry and this was a subject of continuing research. The sector working party hoped to begin consultations in the near future with appropriate public sector authorities which would cover information about future demand and the strategies of the fuel industries.

Industrial planning

Michael Grylls (North West Surrey) asked the Secretary of State for Industry, further to his reply on 15 November, whether the new guidelines for local authorities had yet been published, as recommended by the sector working party on the chemical industry, relating to physical planning.

Mr Williams said that as part of the government's industrial strategy the Secretaries of State for the Environment and Transport recently issued a circular (DoE 71/77 and DTP 4/77) urging local authorities to give priority to industry across the whole range of their functions, and specifically in the fields of planning, housing and transport. The circular referred in particular to the need to give priority to the handling of all industrial planning applications, to adopt a flexible approach to development controls and to consult with industry in drawing up local plans.

Export agency

Michael Grylls (North West Surrey) asked the Secretary of State for Industry, further to his reply on 15 November, 1976, concerning the recommendation from the sector work party on the knitting industry that an export agency should be created to help small firms with documentation and similar matters, what action had been taken to implement this recommendation.

Mr Williams said that following an offer from his department to consider making funds available for a feasibility study, representatives of the industry were considering whether to proceed with the proposal.

Water and effluent charges

Michael Grylls (North West Surrey) asked the Secretary of State for Industry, further to his reply on 15 November 1976, whether any action had been taken in response to the recommendation from the sector working party on the wool textile industry that there should be an urgent examination of the impact of the imminent increases in water and effluent charges on the industry's competitiveness, and a comparison of these charges with those borne by the industry's competitors in the EEC, with a view to securing immediate relief and eventual harmonisation of such charges in the EEC.

Mr Williams said that a joint working party of the Yorkshire Water Authority and the wool textile delegation, with observers from his department and the Department of Environment, was set up in March to examine these matters. The working party had held two meetings and was making progress.

Office equipment industry

Michael Grylls (North West Surrey) referred to the sector working party on the office equipment industry and asked what action had been taken to strengthen selected vital areas of the UK electronic infrastructure.

Mr Williams replied that since December of last year the government had announced the selective investment scheme, the electronics component scheme and the product and process development scheme which were applicable to this sector of industry.

Rubber industry

Mr Grylls referred to the recommendations from the sector working party on the rubber industry and asked whether detailed project planning had yet been undertaken to determine raw material requirements, market opportunities and capital availability.

Mr Williams said that discussions about a possible UK polyisoprene project had continued in the synthetic rubber working party of the petrochemicals sector working party. These had drawn on evaluations of such a project that had been prepared by industry, information from the Department of Energy on feedstock availability and the views of rubber consumers, co-ordinated by his department, on the possible market for polyisoprene. A gas-gathering pipeline system would be an important influence on feedstock availability. The working party would continue studying this and the other factors affecting the project's commercial viability.

Wool textile industry

Mr Grylls referred to the reply on 15 November 1976, concerning the recommendations from the sector working party on the wool textile industry, and asked what action had been taken in response to the proposals from the European Development Council for further financial assistance under the Industry Act to enourage mergers.

Mr Williams replied that a further scheme of assistance for the wool textile industry, under part II of the Industry Act 1972, was announced on 29 November 1976.

Multifibre arrangement

Mr Grylls asked what action had been taken on the recommendation from the sector working party on the clothing industry that the multifibre arrangement should be re-negotiated to make it more effective.

Mr Williams said that in accordance with the recommendations made by the sector working party on the clothing industry and with other representation from all sides of industry, the government took the lead in pressing the European community to seek changes to the MFA which would enable importing countries to regulate their imports more effectively.

Engineering standards

Mr Grylls asked if the report from Sir Frederick Warner on the sector working party recommendations in the field of engineering standards and specifications had been received.

Mr Fraser said that the secretary of state had received the report from Sir Frederick Warner and extensive consultations were taking place on its recommendations. He intended to present a progress report at the October meeting of the National Economic Development Council.

Imports of special steels

Mr Grylls also asked what action had been taken to deal with disruptive imports of special steels, following the recommendation from the sector working party on the iron and steel industry.

Mr Meacher replied that an understanding about the level of special steels exports to the United Kingdom had been reached with Japan. As a result of assurances that had been received, the industry had withdrawn its application for anti-dumping action against high speed and alloy tool steels from Austria. Substantive anti-dumping duties of 8 to 16 per cent had been imposed on imports of stainless steel bars from Spain. The dumping complaint against imports from Sweden was still under consideration.

Public appointments

Hugh Dykes (Harrow East) asked for a list for all bodies (other than committees) to which the Secretary of State for Industry appointed members, other than civil servants, the authority for making the appointment.

Mr Huckfield replied that information about statutory bodies (other than committees) to which the Secretary of State made paid appointments was included in 'A Directory of Paid Public Appointments made by Ministers'.

Since publication of the directory, the Secretary of State had established the following bodies to which he made paid appointments:

	Authority
British Aerospace British Shipbuilders	Aircraft and Shipbuilding Industries Act 1977

Mr Huckfield said that the Secretary of State also made unpaid appointments to some of the bodies referred to above and to the following statutory bodies (other than committees) for which he was responsible:

	Authority
Cotton Industry War Memorial Trust	Cotton Industry War Memorial Trust Act 1947
Industrial Development Advisory Board	Industry Act 1972

Mr Dykes asked the Secretary of State for Prices and Consumer Protection, if he would list for all bodies (other than committees) to which he appointed members, other than civil servants, the authority for making the appointment.

Mr Maclennan replied that information about statutory bodies (other than committees) to which the Secretary of State made paid appointments was included in 'A Directory of Paid Public Appointments made by Ministers'.

Since publication of the directory, the authority for making appointments to the Price Commission had been amended to Price Commission Act 1977.

The Secretary of State also made unpaid appointments to some of the bodies referred to above and to the following statutory bodies (other than committees) for which he was responsible:

	Authority
British Hallmarking Council	Hallmarking Act 1973
Hearing Aid Council	Hearing Air Council Act 1968

Concorde costs

Terry Walker (Kingswood) asked for the latest estimate of the development and production costs of Concorde, and production receipts.

Mr Varley answered that the latest estimate of the manufacturers' total development costs in Britain and France was £1,141 million. The expenditure was divided as follows between actual past expenditure and estimated future expenditure:

£ million

	British expenditure	French expenditure	Both countries
Actual costs from 29 November 1962 to 31 December 1976 at the prices and exchange rates prevailing when the costs were incurred	504	509 (6119 MF)	1 013
Estimated costs from 1 January 1977 to completion of programme at January 1977 prices and at an exchange rate of £1 = 8.5 francs	61	67	128
Totals	565	576	1 141

The latest estimates of the manufacturers' total production costs to the end of 1978 were £369 million in the UK and 3,390 million francs in France. This was divided as between actual past expenditure and estimated future expenditure as follows:

	Britain £m	France Frm
Actual costs to 31 December 1976 at the prices and exchange rates prevaling when the costs were incurred	255	2 395
Estimated costs from 1 January 1977 to 31 December 1978 at January 1977 prices and at an exchange rate of £1 = 8.5 francs	114	995
Totals	369	3 390

Without taking account of possible receipts from further sales or leases the latest estimates of the manufacturers' receipts from the sale of aircraft, engines and spares to the end of 1978 was £157 million in the UK and 1,475 million francs in France. This was divided as between actual past receipts and estimated future receipts as follows:

	Britain £m	France Frm
Actual receipts to 31 December 1976 at prices and exchange rates prevailing when income was received	99	1 148
Estimated receipts from 1 January 1977 to 31 December 1978 at January 1977 prices and at an exchange rate of £1 = 8.5 francs	58	327
Totals	157	1 475

Mr Varley went on to say that development and production of the aircraft in Britain were carried out under procurement contracts placed

on his behalf by the Secretary of State for Defence with the British Aircraft Corporation and Rolls-Royce. All contracts provided for the payment of the firms' fair and reasonable costs and for incentive payments related to performance. Both firms were required to remit to the government all receipts arising from activities and sales achieved through the provision of the contracts.

Development expenditures were incurred under the powers conferred on him by section 1(1) of the Civil Aviation Act 1949 and production expenditures under sections 8(1) and 8(2) of the Industrial Expansion Act 1968, from monies voted by parliament.

The limit of £250 million on production loans and guarantees contained in the Concorde Aircraft Act 1973 did not apply to the method of financing currently in use. Net government expenditures and commitments under such arrangements were not expected to exceed this figure by the end of the financial year 1977-78.

Retail price index

Arthur Lewis (Newham North West) asked for publication of as comprehensive a list as may be available of the prices of goods and services at a date in October 1974 and at the latest available date.

Mr Maclennan said that index numbers at October 1974 and June 1977 for each of the main groups of the retail price index and the percentage change over this period were as follows:

1974 = 100

	15 Oct 1974	14 Jun 1977	Increase per cent
Food	110.4	193.7	75.5
Alcoholic drink	115.4	184.0	59.4
Tobacco	121.6	216.1	77.7
Housing	107.1	164.3	53.4
Fuel and light	116.0	214.5	84.9
Durable household goods	113.7	166.0	46.0
Clothing and footwear	115.1	155.7	35.3
Transport and vehicles	115.0	193.2	68.0
Miscellaneous goods	120.1	187.8	56.4
Services	111.7	173.3	55.1
Meals out	113.8	184.0	61.7
Retail price index – all items	113.2	183.6	62.2

Average retail prices for about 80 important items of food were published in the *Department of Employment Gazette*. Volume 82, no. 11 gave this information for October 1974, whilst volume 85, no. 6 contained the latest published data.

Mr Maclennan pointed out that the main factors which would have contributed to the above increases were a 41 per cent increase in general unit wage costs between fourth quarters of 1974 and 1976, a 54½ per cent increase in import unit values between October 1974 and June 1977 (to which a 26½ per cent depreciation in the effective exchange rate for sterling would have contributed significantly) and the phasing out of the nationalised industries deficits.

Mobile homes

Philip Whitehead (Derby North) asked if the Secretary of State for Prices and Consumer Protection had completed his review of the legislation involving holiday caravans.

Mr Fraser said that his rt hon friend expected to publish the report of the mobile homes review in the near future. The review covered only permanent residences but he hoped that the follow-up to the report would provide an opportunity of considering the problems facing owners of holiday caravans and, if possible, of taking appropriate action.

Log-effect gas fires

Tom Ellis (Wrexham) asked the Secretary of State for Prices and Consumer Protection if he would introduce legislation to seek to make the selling of coal on log-effect gas fires illegal.

Mr Fraser said there were no powers under the Consumer Protection Act 1961 to prohibit the sale of any class of goods. However, the application of the Heating Appliances (Fireguards) Regulations 1973 (SI 1973 no. 2106) to these fires was under consideration. Any question of a breach of the gas safety regulations 1972 was a matter for the Secretary of State for Energy.

Food subsidies and the RPI

Colin Shepherd (Hereford) asked what had been the effect on the retail price index of the removal of each of the food subsidies over the last year, step by step.

Mr Maclennan answered that the precise effect on the retail price index of changes in the food subsidies could not be calculated. The subsidies were paid at the first-hand level and when there were large stocks in the distributive chain on which subsidy had already been paid, as had commonly been the case for butter, cheese, flour and tea, a change in the subsidy rate was not immediately reflected at the retail level. In addition, the milk subsidy was paid as a global amount for a year under the producer guarantee arrangements and could only be arbitrarily assessed at a particular moment. With these major reservations, he said, the retail equivalent of the subsidy changes over the last year may be expressed as follows:

	RPI effect points
9 August 1976	
Bread: −½p for large and small loaves	+0.05
26 September 1976	
Tea: −8p per lb (abolition)	+0.08
14 November 1976	
Butter: −3p per lb	+0.06
Cheese: −3p per lb	+0.04
1 December 1976	
Milk: −1p per pint	+0.33
28 December 1976	
Butter: −4p per lb (abolition)	+0.08
Cheese: −4p per lb	+0.06
2 January 1977	
Bread: −½p for large loaves	+0.04
1 April 1977	
Milk: −½p per pint	+0.17
1 May 1977	
Flour: −1p per lb (abolition)	+0.02
Butter: +10p per lb (reintroduction)	−0.20
17 July 1977	
Milk: +1 p per pint	−0.33
Bread: −1p for large loaves, −½p for small loaves (abolition)	+0.10
Cheese: −3p per lb (abolition)	+0.04

Disclosure of information

David Watkins (Consett) asked for a list of all acts of parliament for which the Department of Prices and Consumer Protection was responsible that required companies to disclose information, stating under each act what information had to be disclosed, how, by when, and to whom.

Mr Hattersley replied that under the Price Commission Act 1977 there were powers to require disclosure to the Price Commission of information about prices and profits. Under the Prices Act 1974, as amended by the Prices Act 1975, the keeping and, where appropriate, disclosure of information to duly authorised officers was required both by companies receiving subsidies, and by companies selling goods subject to price regulation orders. Under the Fair Trading Act 1973, the Director General of Fair Trading may require various information for the purpose of deciding whether to make a reference to the Monopolies and Mergers Commission; and the Monopolies and Mergers Commission may require information in connection with its investigations. Under the Restrictive Practices Act 1976 the Director General of Fair Trading may require information in connection with the registration and judicial investigation of restrictive trade practices.

Trade with Japan

Doug Hoyle (Nelson and Colne) asked what steps were being taken to seek to reduce the non-tariff barriers operated by the Japanese against British goods; what was being done by means of discussion to reduce the technical barriers operated by Japan against British cars; and what discussions were taking place to increase the number of cars sold to Japan.

Mr Meacher said that as a result of representations which the government and the EEC commission had been making to the Japanese authorities to urge them to encourage increased imports of industrial goods and to remove obstacles which affected British products including cars, the Japanese had delayed the application of new emission standards to foreign cars and were making arrangements to enable British cars to be tested to Japanese standards in Europe before shipment to Japan. When his rt hon friend was in Japan in April he had urged the Japanese to take further action to stimulate their imports of industrial goods from the UK and similar approaches were made in May by vice president Hafekamp on behalf of the EEC as a whole. He hoped that Japan would respond to these approaches in a practical and effective way which would eliminate any over-rigid application of regulations and said that his department was monitoring developments closely.

English Tourist Board

Arthur Lewis (Newham North West) asked for the salary and expenses and other emoluments paid to or received by the chairman, vice-chairman and members of the English Tourist Board for each of the years since 1974 and the number of hours worked weekly or annually for these payments.

Mr Meacher said that the salaries of the chairman and of all other members of the English Tourist Board since 1974 had been as follows:

	Chairman £	Each board member £
1974	6 300	1 000
1975	6 415	1 000
1976	6 415	1 000
Current	6 415	1 000

The appointments were part-time; the salaries were decided on the basis that the chairman averaged three days a week and each board member two days a month. Particulars of exact hours worked were not available. Members were entitled to claim reasonable travel subsistence and incidental expenses necessarily incurred as a result of their work for the board. The board had revised its accounting procedures so that in respect of future financial years information would be able to be made available on expenses of board members.

UK trade in manufactures

Bryan Gould (Southampton, Test) asked for the percentage increase in imports and exports of manufactures, excluding precious stones, in the first half of 1977 compared with the same period in 1976; and what was the corresponding increase for the EEC Six.

Mr Meacher said the figures were as follows:

UK trade in manufactures (Overseas Trade Stastistics Basis)

Percentage change 1st half 1977/1st half 1976

	World[1]	World[2]	EEC Six[2]
Exports	+26	+26	+36
Imports	+35	+35	+32

[1] Trade in total manufactures other than precious stones (SITC 667).

[2] For confidentiality reasons, figures of imports of precious stones from the EEC six are not available. The percentage changes for EEC six (and also, for comparison, for the world) have been derived from figures of trade in manufactures other than non-metallic mineral manufactures (SITC division 66). This division is the smallest appropriate aggregate for which country information is available.

Company information

David Watkins (Consett) asked the Secretary of State for Industry, if he would list all acts of parliament for which his department was responsible that require companies to disclose information, stating under each act what information had to be disclosed, how, by when and to whom.

Mr Huckfield said that the following acts of parliament, for which the Department of Industry is responsible, include measures which may be used to require companies to disclose information.

Statistics of Trade Act 1947: this conferred powers on those government departments that were competent authorities within the meaning of the act, by notice in writing served on any person carrying on an undertaking, to require that person to furnish, in such form and manner and within such time as might be specified in the notice, such periodical or other estimates or returns about such of the matters set out in the schedule to the act as might be specified in the notice. The act also required the taking of an annual census of production and authorised the

taking of an ad hoc census of distribution and confered powers on competent authorities to require the furnishing of information on matters set out in the schedule to the act in connection with any such census.

Industry Act 1975: part IV of this act empowered a minister who had made an order under section 28 of the act to require a company to furnish him with information in connection with matters specified in section 30(2) and in reasonable time. A minister might subsequently require the company to provide some or all of such information to representatives of relevant trade unions. If the company claimed that it should not, for special reasons, furnish the information, the minister might be required to refer the matter to an advisory committee, although he was not bound to accept the recommendations of the committee.

Iron and Steel Act 1975: the Secretary of State for Industry had power under section 31, by notice served in writing on iron and steel producers (other than BSC or a publicly-owned company), to require information in respect of forecasts of output and capacity to produce such iron and steel products as might be specified in the notice. The information must be supplied within such time and in such form as might be specified in the notice.

Aircraft and Shipbuilding Industries Act 1977: section 51 laid a duty on specified persons to produce to any person authorised by the secretary of state such books of account, records and documents, and to supply copies of or extracts from such books, records and documents, and to furnish such other information, as might reasonably be required by a corporation or the secretary of state for the purposes of the act. This provision ceases to have effect two years after the relevant vesting date.

In addition to the above, various acts dealing with nationalised corporations for which the department was responsible, placed on them a requirement to supply to the secretary of state certain information regarding their wholly owned subsidiaries.

Thursday, 28 July

Postal inquiries

Alec Woodall (Hemsworth) asked how many postal inquiries to the Companies Registration Office in Edinburgh were received in the last year.

Mr Clinton Davis replied that there were 4430 postal inquiries in the year to 1 July 1977.

Coal imports

Dennis Skinner (Bolsover) requested the current level of coal imports; from which countries coal was imported into the United Kingdom; what was the total tonnage from each country; and what was the cost per ton.

Mr Meacher gave the following information for January to June 1977:

	Thous tonnes	Average value per tonne £ cif
Total imports of which:	885	33.50
USA	265	40.42
Netherlands	161	26.53
Australia	154	29.34
Belgium and Luxembourg	132	26.21
Federal Republic of Germany	54	48.96
Soviet Union	46	35.09
Poland	27	33.80
Irish Republic	24	21.19
Other countries	21	46.68

Note: Average values are not true prices. The figures are affected by differences in the kinds of coal imported and other factors.

Coal exports

Dennis Skinner (Bolsover) requested the level of coal exports to the other EEC countries; and what was the total tonnage exported to all countries.

Mr Meacher said that in the first six months of this year coal exports to the EEC were 948 thousand tonnes out of total exports of 1017 thousand tonnes. This information was published in the June issue of the *Overseas Trade Statistics of the United Kingdom.*

Insolvency Act 1976

David Young (Bolton East) asked when the remaining sections of the Insolvency Act 1976 would be brought into operation.

Mr Clinton Davis replied that apart from sections 11 and 12 which deal with administration orders, all the remaining sections of the Insolvency Act 1976 would be brought into force on 1 October 1977.

Trade balance with USSR

Peter Morrison (City of Chester) asked the Secretary of State for Trade, whether he was satisfied with the current United Kingdom trade balance with the Union of Soviet Socialist Republics; whether he expected an improvement in the balance of trade in the year ending December 1977 on the deficit of £426 million for the year ended December 1976; and what progress on trade relations had been made since his last meeting with the Russian trade minister.

Mr Meacher replied that as was stated during the sixth session of the British-Soviet joint commission in Moscow in May, the United Kingdom remained dissatisfied with the level of its exports to the Soviet Union. At that meeting it was agreed that both governments would make further efforts to improve the balance and structure of trade between the United Kingdom and the Soviet Union. There had been a modest improvement in the balance of our trade in the first six months of this year and a number of major contracts recently signed with British firms should begin to be reflected in our export figures. But he wished to see more orders placed by the Soviet Union in this country.

A number of projects were still under negotiation but no new major orders had yet been placed by the Soviet Union with British companies since the Secretary of State met Mr Patolichev, the Soviet Minister for Foreign Trade, during his visit to Moscow in May this year.

EEC manufactures

Bryan Gould (Southampton, Test) asked what was the share of the EEC six in United Kingdom imports of the manufactures in each year from 1970; and what were the corresponding figures for the United Kingdom share of the six's market for manufactures.

Mr Meacher said that the figures of the EEC original six members' share of total United Kingdom imports of manufactures could be derived from table C8 of the June issue of the *Monthly Review of External Trade Statistics.* Figures of the United Kingdom share of total EEC six imports of manufactures were:

	Percentages
1970	6.3
1971	6.3
1972	6.1
1973	6.0
1974	6.1
1975	6.4

1976 data were not yet available.

Public appointments

Hugh Dykes (Harrow East) asked the Secretary of State for Trade, if he would list for all bodies (other than committees) to which he appoints members, other than civil servants, the authority for making the appointment.

Mr Cliton Davis said that information about statutory bodies (other than committees) to which he made paid appointments was included in *A Directory of Paid Public Appointments made by Ministers.* Since publication, the authority for making appointments to the British Airways Board had been amended to British Airways Board Act 1977. He also made unpaid appointments to some of the bodies referred to above and to the following statutory bodies (other than committees) for which he was responsible:

	Authority
Air Travel Reserve Fund Agency	Air Travel Reserve Fund Act 1975
Export Guarantees Advisory Council	Export Guarantees Act 1975
Policyholders Protection Board	Policyholders Protection Act 1975.

Industrial democracy

Nicholas Scott (Kensington and Chelsea, Kensington) asked the Secretary of State for Trade when the white paper on worker participation would be published.

Mr Dell said the government was continuing its consultations on the report of the committee of inquiry on industrial democracy under the chairmanship of Lord Bullock. The government was anxious to achieve a flexible and lasting solution. It would be putting forward its own proposals for industrial democracy in the private sector when these consultations have been taken further.

Meanwhile in the nationalised industries the government wished to make its early progress in encouraging the involvement of employees in the running of these industries. The government welcomed the steps that had already taken place in most of these industries and had asked the chairmen of nationalised industries where they were not already doing so to consult with the unions in each industry as soon as possible, with a view to making joint proposals for further improvements in consultation and participation.

Volume of exports

John Cronin (Loughborough) asked the Secretary of State for Trade what steps he was taking to induce British exporters to increase the volume of their exports rather than the profit on them, having regard to the diminished value of the pound sterling.

Mr Dell said that while exporters' decisions on how much and at what price to export goods and services must be based on their commercial assessment, he used both public speeches and other means of public communication to draw attention to the commercial benefits which could flow from increasing market share overseas by a keen pricing policy when capacity was available and where a higher volume of production might provide a means of reducing unit costs. If, on the other hand, demand was strong and supply was limited, it might be both in the national and an individual firm's interest to price at what the market would bear.

Anti-dumping investigations

Peter Morrison (City of Chester) asked the Secretary of State for Trade if he would list the anti-dumping cases investigated by his department from 1 January to 1 July 1977.

Mr Meacher gave the following list:

Product	Country of origin	Outcome of investigation
Dumper trucks	USSR	Price undertaking accepted
Single-barrelled shotguns	USSR	Price undertaking accepted
Double-barrelled shotguns	USSR	No dumping found
Pvc leather-cloth	Hungary E. Germany	No dumping found
Ophthalmic lenses	Brazil	No dumping found
Stereo flong	USA	Price undertaking accepted
Mens' suits	Bulgaria Czechoslovakia E. Germany Hungary Poland Romania	Price undertakings accepted
Men's sandals	Poland	Price undertaking accepted
	Czechoslovakia	No dumping found
Stainless steel bars	Spain	Anti-dumping duty imposed
Mens' leather footwear	Czechoslovakia	Price undertaking accepted
Steel reinforcing bars	S. Africa	Case passed to Commission (who achieved a negotiated settlement)
Cases accepted for full investigation 1 January-30 June		
Steel sections and flat bars	S. Africa	Case passed to Commission (who achieved a negotiated settlement)
Printed circuit board drills	USA	No dumping found
Horticultural glass	Czechoslovakia Poland	No dumping found
	Romania USSR	Price undertakings accepted
Steel sections and flat bars	Spain	Case not yet resolved
High speed and tool steels	Austria	Price undertakings accepted

Product	Country of origin	Outcome of investigation
High speed and tool steels	Sweden	Case not yet resolved
Steel sections	Japan	Anti-dumping duty imposed
Steel flat bars	Japan	Case not yet resolved
Socket sets	Japan	Price undertakings accepted
Compressed air breathing apparatus	Sweden	Price undertaking accepted
Lanolin derivatives	USA	Price undertaking accepted
Paper cones	Spain	Price undertaking accepted
Hydraulic lifting equipment	Sweden	Price undertaking accepted

Of the cases shown as not yet resolved, those involving Japanese steel flat bars and Spanish sections and flats may be concluded by the department under the provisions of the treaty of Paris.

Straw for paper manaufacture

Douglas Hurd (Mid-Oxon) asked the Secretary of State for Industry what steps he was taking to encourage the use of straw for the manufacture of paper.

Mr Cryer said that in association with the Paper, Printing and Packaging Industries Research Association, a paper machinery manufacturer, and a number of leading papermaking companies, his department had collaborated in an investigation of the possible use of straw for paper making. The group was considering the results of the work but a number of very difficult problems remained to be overcome. The department was prepared to continue its participation if a convincing case for doing so was established, and if other interested parties also agreed to be fully involved. Assistance was available under the £23 million scheme to encourage the use of indigenous fibres by the paper and board industry.

TUC general council

James Sillars (South Ayrshire) asked the Secretary of State for Industry if he would publish a list of members of the TUC general council who held posts in paid and unpaid public offices for which he had responsibility, and if he would give the salaries paid in each case.

Mr Huckfield gave the information as follows:

	Annual salary (£)
F. A. Baker. Part-time member of the British Shipbuilders	1 000
D. Basnett. Part-time member of the National Enterprise Board	1 000
L. W. Buck. Full-time member of British Aerospace	12 829.68
F. Dyson. Part-time member of the Garments and Allied Industries Requirements Board	Unpaid
J. F. Eccles. Part-time member of the English Industrial Estates Corporation	700
J. Gormley. Part-time member of the National Research Development Corporation	1 000
C. Jenkins. Part-time member of the National Research Development Corporation	1 000
C. H. Urwin. Part-time member of the National Enterprise Board. Part-time member of the Industrial Development Advisory Board	Unpaid

Acqusition of Beaverbrook Newspapers

Austin Mitchell (Grimsby) asked the Secretary of State for Prices and Consumer Protection whether he intended to refer the acquisition by Trafalgar House Ltd of Beaverbrook Newspapers Ltd to the Monopolies and and Mergers Commission.

Mr Hattersley said he had decided, on the information at present available to him, not to refer the merger to the commission. In discussing its future plans Trafalgar had informed the government that they would continue publication of the *Daily Express*, *Sunday Express* and *Evening Standard* for at least three years, subject to no serious worsening in present losses and to co-operation from the unions; had provided information on its intentions for financial investment in Beaverbrook, employment and agreement with the unions; and had said that they would allow editorial freedom within broad policy limits.

Packaging practice

Ian Wrigglesworth (Teesside, Thornaby) asked the Secretary of State for Prices and Consumer Protection, what steps he was taking to safeguard consumers' interests in packaging.

Mr Maclennan said a working party containing representatives of industry, environmentalists and consumers was established under the aegis of the Waste Management Advisory Council to draw up a voluntary code of packaging practice. It had held a number of meetings and was now engaged in wider consultations with a view to publishing a code or set of criteria for packaging relating, among other things, to economy in the use of materials, the adequacy of the protection of contents, convenience of handling by the consumer and the elimination of misleading and wasteful packaging. It was envisaged that a supervisory organisation would receive and handle complaints from the public.

Food prices

Mr Sillars asked the Secretary of State for Prices and Consumer Protection for the latest prices of a number of food items and how this compared with the prices in the same month in 1972, 1974 and 1975, respectively.

Mr Maclennan gave the following information from the general index of retail prices. Average retail prices were given per lb unless otherwise stated.

	20 Jun 1972 p	18 Jun 1974 p	17 Jun 1975 p	14 Jun 1977 p
Loaf, white, 1¼ lb wrapped and sliced	9.9	13.8	16.1	21.2
Rump steak	78.4	94.0	117.7	155.6
Cheese, cheddar type	31.5	36.7	43.1	61.3
Milk, per pint	5.0	4.5	6.0	11.5
Sugar, granulated, per 2 lb	9.0	10.3	28.5	23.1
Tea, medium priced, per ¼ lb	8.4	9.3	10.0	28.4
Coffee, soluble, 4 oz	28.5	35.1	40.0	107.7
Roasting chicken, broiler, 3 lb frozen per lb	17.2	24.3	31.2	41.7
Butter, New Zealand	27.6	21.8	29.3	47.6

Shipbuilding intervention fund

Neville Trotter (Tynemouth) asked to what extent the government's shipbuilding intervention fund of £65 million had been committed; and how much of the commitment related to each of the subsidiary companies of British Shipbuilders.

Mr Kaufman replied that up to 27 July 1977 assistance totalling £12.8 million had been offered from the shipbuilding intervention fund. It was not possible to give a breakdown by individual companies without revealing information about individual orders, which was regarded as commercially confidential.

Regional development grants

Andrew Welsh (South Angus) asked the Secretary of State for Industry how many regional development grant applications he had received per month and per region in 1977 under the terms of the Industry Act 1972; what had been the average time taken to process such applications; and whether any delays were being experienced in dealing with these development grant applications.

Mr Williams said information was not available in precisely the form requested but the table below gave the total of applications received per month and per Regional Development Grants Office in the period 1 January to 24 June 1977.

Period	Billingham	Bootle	Cardiff	Glasgow	Total
1-28 January 1977	731	406	505	949	2 591
29 January-25 February 1977	1 218	490	987	1 281	3 976
26 February-31 March 1977	3 382	1 799	2 986	4 662	12 829
1-29 April 1977	558	214	467	582	1 821
30 April-27 May 1977	593	342	391	668	1 994
28 May-24 June 1977	641	310	530	876	2 357
Total	7 123	3 561	5 866	9 018	25 568

Geographic coverage of offices

Billingham part Northern, Yorkshire and Humberside
Bootle part Northern, North West, East and West Midlands
Cardiff Wales, South West
Glasgow Whole of Scotland

Over the life time of the scheme, the average time taken to process applications has been three months. Because the number of applications in March was unprecedently high, they will not in general have been processed before September; and, as the Chancellor announced in the house on 26 July 1976, the payment of grants in respect of applications received on or after 1 April 1977 is subject to an additional delay of three months.

Honours for public service

Bruce Grocott (Litchfield and Tamworth) asked the Secretary of State for Industry, if he would publish a table showing how many members of his department had received honours for public service in each of the last five years, indicating in each case the honour received and the grade of civil servant who received it.

Mr Huckfield gave the following information:

Awards of honours to members of the staff of the Department of Industry.

Civil service grade	1974*	1975	1976	1977
Permanent secretary			KCB	
Deputy secretary		K and CB		
Under secretary			CMG	CB
Principal			ISO	
Executive officer		MBE		
Chief scientific officer		CBE		
Senior principal scientific officer			OBE	2 OBE
Principal scientific officer		OBE and ISO	ISO	
Senior scientific officer			MBE	MBE
Scientific officer			MBE	
Senior personal secretary		MBE		
Personal secretary				MBE
Principal professional and technology officer		OBE		
Professional and technology officer grade IV	BEM			
Porter messenger		BEM		

* Birthday list only because the Department of Industry was not established until March 1974.

Awards of honours to members of the staff of the Department of Industry providing common services to the Department of Industry, Trade, and Prices and Consumer Protection.

Civil service grade	1974*	1975	1976	1977
Deputy secretary		CB	CB	
Under secretary				CB
Principal		ISO	ISO	ISO
Senior director of accountancy services		CBE		
Chief accountant		ISO		
Senior legal assistant	OBE			
Photoprinter grade I			BEM	
Office keepr grade I			BEM	
Office keeper grade II			BEM	
Senior paper keeper				BEM
Senior messenger		BEM		BEM
Porter messenger		BEM		
Cleaning supervisor			BEM	BEM

* Birthday list only because the Department of Industry was not established until March 1974.

Pumps and valves industry

Michael Grylls (North West Surrey) asked about progress on the action taken so far on each recommendation from the sector working party on the pumps and valves industry.

Mr Williams gave the information as follows:

Recommendation: The government should consider attaching priority, under the industry act foundry scheme, to investment for the production of short-run high alloy and complex castings.

Action: Under the ferrous foundry scheme a substantial amount of assistance was granted to improve the production of specialist castings and castings generally. The government's new Non-Ferrous Foundry Scheme has already attracted an encouraging response from industry. Projects for assistance with the production of specialist castings will be sympathetically considered.

Recommendation: The Employment Services Agency should consider how its employment transfer scheme and placement services could assist the movement of skilled workers to areas with most vacancies.
Action: The Employment Services Agency has reviewed its transfer and placement services and has reported its findings to the Manpower Services Commission, where they are under consideration at present.
Recommendation: The Training Services Agency and the Engineering Industry Training Board should review current training and retraining programmes with reference to potential shortages of skilled engineering manpower.
Action: Links between the Department of Employment, the Employment Services Agency, the Training Services Agency and the National Economic Development Office have been strengthened to ensure that reported skill shortages should be investigated quickly and efficiently. The Employment Services Agency have undertaken to examine each individual case fully. The Training Services Agency have undertaken to give priority to special training needs identified by the sector working parties: they are maintaining close contact with the Engineering Industry Training Board. The sector working party is liaising closely with all these bodies in its consideration of the future manpower requirements of the pumps and valves industries.
Recommendation: The government should consider allowing a higher proportion than the present 20 per cent of new investment to be recovered through higher prices.
Action: The revised price code which came into operation on 1 August 1976 provided that the proportion of budgeted capital expenditure which companies may apply as a cash amount to increase their permitted prices and profit margins should be raised from 20 per cent to 50 per cent.
Recommendation: The government should consider easing the pressure on corporate borrowing limits by removing the possibility of future claw-back of stock appreciation relief.
Action: In his last budget speech the Chancellor of the Exchequer reiterated that he had no intention of bringing the present stock relief scheme to an end without a replacement scheme and that for the normally continuing business there is little or no risk that any substantial part of the deferred liability would in fact arise. He promised to continue the scheme for 1977/78 and 1978/79 at least, to be followed by a permanent scheme when a satisfactory one could be devised which would take into account developments in current cost accounting.
Recommendation: The government should consider recasting the ECGD arrangements for bank guarantees and performance bonds such that no contingent liability remains with the contractor.
Action: There is nothing to add to the information given on 18 November 1976.
Recommendation: The government should consider reducing the cover qualifying limit under cost escalation insurance from £2 million to £250,000 and for units within a contract from £500,000 to £25,000, and increasing the flexibility of the definition of a unit to cover identifiable sections of a contract.
Action: There is nothing to add to the information given on 18 November 1976.
Recommendation: The government was asked to support discussions with the nationalised industries about rationalising standards and quality assurance procedures.
Action: Sir Frederick Warner presented his report on standards and specifications in the engineering industries to the National Economic Development Council in March. The Chancellor of the Exchequer and the Secretary of State for Industry wrote to ministerial colleagues whose departments are major public purchasers asking that they give a high priority to ensuring that their requirements are related to standards and to overseas requirements. In addition, ministers who have sponsoring responsibility for public bodies have been asked to draw to their attention the recommendations of the Warner report.

Nationalised aircraft and shipbuilding companies

Neville Trotter (*Tynemouth*) *asked when it was estimated that the inquiries of Whinney Murray and Company into the affairs of companies nationalised under the Aircraft and Shipbuilding Industries Act would be completed; and when he expected the majority of the former owners of the companies to receive their compensation.*

Mr Kaufman replied that Whinney Murray and Company was making satisfactory progress in its investigations and would be submitting reports during the next few months. Settlement of compensation would depend on progress of the subsequent negotiations.

Non-ferrous foundries

Michael Grylls (*North West Surrey*) *asked what action had been taken on recommendations a and b in the sector working party on the non-ferrous foundry industry which were under consideration by the department.*

Following his reply of 27 July Mr Williams gave the following information : On a, no action had been taken. The scheme could not be modified to allow subsidy where fewer than 10 employees face redundancy, without involving a disproportionate increase in administrative costs relative to the small number of jobs that would be saved.

Recommendation b had been implemented. Mr Williams referred Mr Grylls to the statement on 24 January 1977 by Mr Varley announcing the non-ferrous foundries industry scheme. Other schemes for improving production techniques were under consideration. He also referred Mr Grylls to the details of the new product and process development scheme announced on 18 July although this scheme was not exclusive to the non-ferrous foundries industry, it was available to eligible applicants within that industry.

Development aid for Grimsby

Austin Mitchell (*Grimsby*) *asked what applications for development aid had been received for development in Grimsby since the granting of development area status in April 1977, and what requests for development aid had been granted in the 12 months before April 1977 and how much aid was given in each case.*

In reply Mr Williams said four applications for regional selective assistance had been received, amounting to over £800,000, involving project costs of nearly £4 million and an estimated 175 new jobs.

Between 1 April 1976 and 31 March 1977, Mr Williams said, the following three regional development grant payments of £25,000 and above were made for the Grimsby employment exchange area:

Recipient	Amount
Ciba Geigy Chemicals	£82 000
Courtaulds	£25 000
Courtaulds	£42 000

During the same period five offers of assistance under section 7 of the Industry Act 1972 amounting to some £100,000 were made for projects costing in total £714,000 which, it was estimated, would eventually provide some 200 jobs. The detals of two of these offers had already been published and were as follows; further information was expected to be made available shortly.

Recipient	Amount
J. P. Chatterton	£6 767
Grimsby Polythene Ltd	£12 220

In addition there was one offer of assistance under the accelerated projects scheme amounting to £570,000.

Aberdeen's development status

Iain Sproat (*Aberdeen South*) *asked what total estimate had been made for each of the next five years, respectively, of the annual saving in expenditure by reducing Aberdeen's travel-to-work-area's status from development area to intermediate area and how many jobs might be lost.*

Mr Williams gave the following estimates

£ million

1977/78	1978/79	1979/80	1980/81	1981/82
nil	0.5	3.5	3.5	3.5

Mr Williams said he expected that no jobs would be lost directly attributable to the decision.

Competitiveness of British goods

Bryan Gould (*Southampton, Test*) *asked what were the terms of trade and relative volume of trade in machinery and transport equipment in each year since 1970; and if he will make a statement on the current competitiveness of British manufacturers in the light of these figures.*

Mr Meacher said that the figures required were given in table F4 of the June issue of the *Monthly Review of External Trade Statistics*. While movements in the terms of trade were a guide to changes in competitiveness they were not a good indicator, since different products may be exported from those imported.

Further, generally, there was a time-lag between changes in competitiveness and changes in the volume of exports and imports.

Changes in anti-dumping procedures

Peter Morrison (*City of Chester*) *asked what changes in anti-dumping procedures had been effected; and what were the implications for these changes of the transfer of responsibilities of the United Kingdom's anti-dumping measures from the government to the EEC.*

Mr Meacher said that no further changes in anti-dumping procedures were instituted as a result of the consultations between the Department of Trade and Customs and Excise, about which he informed the house on 10 January 1977. However, a number of improvements had been instituted in the day-to-day co-operation between the department and Customs and Excise.

For example, Customs and Excise's central unit co-ordinating all aspects of Custom's' anti-dumping work had produced a substantial improvement in the speed at which Customs was able to gather and transmit the information needed by department of trade for its investigations. These improvements survive the transfer of responsibilities and will enable the department to play an even more important part in the Community's anti-dumping work.

Anti-dumping

Peter Morrison (*City of Chester*) *asked whether, in view of the fact that responsibility for anti-dumping measures had passed from the government to the EEC, he is satisfied that Great Britain is adequately protected against dumping by foreign countries, and, in particular, by countries of the Warsaw pact.*

Mr Meacher explained that the relevant community legislation, notably EEC regulation 459 of 1968, and the UK's Customs Duties (Dumping and Subsidies) Act 1969 were governed by the same international rules set out in the Gatt anti-dumping code. There should therefore be the same level of protection against dumped imports from whatever source.

Honours

Bruce Grocott (*Litchfield and Tamworth*) *asked how many members of the Department of Trade department had received honours for public service in each of the last five years, indicating in each case the honour received and the grade of civil servants who received it.*

Mr Clinton Davis gave the following information:

Civil Service grade	1974*	1975	1976	1977
Deputy secretary		CB	CB	2 CB
Under secretary	CMG		CMG and CB	CMG
Assistant secretary	CMG	2 CMG		
Senior principal	2 ISO			
Principal	ISO	ISO and OBE		ISO
Executive officer		MBE		
Comptroller General of Patents	CB			
Principal examiner, Patent Office				OBE
Surveyor general (Marine)	CBE			
Deputy engineer-surveyor-in-chief (Marine)				OBE
Principal officer (Marine)			OBE	
Superintendent of the Imperial Lighthouse Service			MBE	
Senior marine survey assistant			BEM	
HM Coastguard				
Chief inspector			OBE	
Inspector	MBE			
District officer			MBE	MBE
Station officer I		2 BEM		
Coastguard officer I				BEM
Senior inspector of accidents (aircraft)		MBE		QC
Official receiver			ISO	
Official receiver B		ISO		
Senior personal secretary				MBE
Repository assistant supervisor			BEM	
Chief paperkeeper				BEM
Senior paperkeeper		BEM		BEM
Porter messenger			BEM	

* Birthday List only because Department of Trade was not established until March 1974.

Increase in UK exports

John Cronin (Loughborough) asked if the Secretary of Trade would indicate the extent to which British exports have increased by volume and by value during the most recent 12 month period for which figures are available.

Mr Meacher said that between the second quarters of 1976 and 1977 the value of UK exports, on a balance of payments basis, rose by 29 per cent, with a rise of 8½ per cent in volume.

Imports from the Commonwealth and EEC

David Knox (Leek) asked what percentage of imports to the United Kingdom came from Commonwealth countries in 1960, 1965, 1970, 1975 and 1976 and what percentage came from the present member countries of the EEC in the same years.

Mr Meacher gave the following figures.

UK imports by area as proportions of total imports

Percentages

	Overseas trade statistics basis		Balance of payments basis
	Commonwealth	EEC	EEC
1960	30½	20½	n.a.
1965	28½	23½	24½
1970	23	27	28½
1975	13½	36½	38
1976	13½	36½	38½

Notes

1 The Commonwealth and the EEC have been defined as at present constituted.

2 As figures on a balance of payments basis are not available for the Commonwealth figures for EEC are given on an overseas trade statistics (OTS) basis as well as on the conceptually better balance of payments basis. Imports on an OTS basis are valued cif, that is inclusive of the cost of insurance and freight from the exporting country. Balance of payments basis figures exclude these charges, as well as differing from the OTS figures in a number of other aspects of valuation and coverage.

TUC public appointments

James Sillars (South Ayrshire) asked the Secretary of State for Trade to publish a list of people who were members of the TUC General Council, who presently held posts in paid and unpaid public offices for which he had responsibility; and if he would give details of the appointments with salaries in each case.

Mr Clinton Davis gave the following information:

		Annual salary
Lord Allen of Fallowfield	Part-time member of the British Airports Authority	£1 000
Mr G. A. Drain	Part-time member of the Insolvency Law Review Committee	Unpaid
Mr A. W. Fisher	Part-time member of the British Airways Board	£1 500
Mr J. L. Jones	Part-time member of the British Overseas Trade Advisory Council	Unpaid
Mr J. T. Morton	Part-time member of the Cinematograph Films Council	Unpaid
Mr A. L. G. Sapper	Part-time member of the Cinematograph Films Council	Unpaid
	Interim Action Committee on the Film Industry	Unpaid

Price of sugar

John Lee (Birmingham, Handsworth) asked what steps, if any, were being taken to enable consumers in the UK to take advantage of the low world price of sugar as compared with the prevailing EEC price; and if he has had any response from the community authorities as a result of his endeavours.

Mr Maclennan said all the UK's supplies of sugar for domestic consumption were from UK and other EEC beet producers and cane from developing countries associated with the community under the terms of the Lomé convention and associated agreements. The Commonwealth Sugar Agreement similarly governed UK imports of cane sugar before Britain's entry into the EEC. Although the UK did not take advantage of periodic low price supplies on the world market and did not do so before accession to the EEC, these arrangements protected consumers from the extreme volatility of world prices and had the advantage of ensuring continuing and secure supplies.

New publications

Mergers: the role of the state

In the latest volume in the authoritative University of Cambridge Department of Applied Economics occasional paper series the central issue is whether the state should assume a restrictive or permissive policy towards the merger of private sector companies. This is a topic which has been the subject of a highly contentious debate over the past few years, the intensity being largely determined by the scale of merger activity prevailing at the time. Policy prescriptions from government and academics have also served to heighten the level of discussion in this area and it is in this context that this latest contribution has been published.

Specifically, it attempts to resolve the policy issue by presenting new evidence on recent British mergers. Some indicators of the past scale of merger activity are presented, setting the scene for an evaluation of the efficiency arising from mergers.

The financing of mergers is considered, together with the role of mergers in the growth of large companies. The author then proceeds to examine whether the propensity of large firms to grow by merger inhibits new investment. The final chapter highlights the conclusions which bear most closely on state policies towards mergers. The significant finding is that mergers do not necessarily enhance performance.

Appendices cover detailed empirical material, supplementary conclusions, detailed definitions and surveys of earlier work. The statistical analysis is fairly elementary and self-explanatory, and the main body of the text should be intelligible to interested non-economists. As in all the papers in this series, much of the material is original and arises from work carried out in the Applied Economics Department itself; a feature which makes both this study in particular and the series in general well worth the attention of all those concerned with current economic research on contemporary issues of importance.

Disappointing Marriage, a study of the gains from merger, by G. Meeks. *University of Cambridge: Department of Applied Economics Occasional Paper 51.* (109 pages. Cambridge University Press. 1977. £6.00. ISBN 0 521 21691 5 Hardback. £3.50: ISBN 0 521 29234 4 Paperback.)

DoI on terotechnology

Among the items listed in the useful seven-page bibliography of Husband's book *Maintenance, management and terotechnology*, reviewed in *Trade and Industry*, 22 July 1977, are some of the booklets produced by the Department of Industry's Committee for Terotechnology, which has responsibility for promoting terotechnology in the UK. The following is a summary of those that are available.

Terotechnology: an introduction to the management of physical resources (1975) provides a brief and clear explanation of both the concept and practice of terotechnology, whilst a folder of eight *Terotechnology checklists* (1976) provides practical guidance for management and engineering personnel. Successful applications are described in a series of *Terotechnology case histories* (1975): No 1 – *Foundry;* No 2 – *Spade manufacturer*; No 3 – *Food factory*; No 4 – *Plant availability*; No 5 – *Container base efficiency.*

The problems of small firms are covered by two booklets published in 1976: *Terotechnology in small firms: terotechnological practices of small firms* is an abridged version of the report of a survey conducted by the Small Business Centre of the University of Aston in Birmingham; and *Terotechnology in small firms: guidelines for owner/managers* provides help and guidance on the type of decisions which have to be made in the life cycle of a plant.

Education and training needs were considered in two reports produced in 1974, whilst practical guidance is provided by *Terotechnology education and training*: No 1 – *Teaching Terotechnology* (1975); and No 2 – *Training in Terotechnology* (1977).

Other booklets deal with specific aspects of terotechnology. Titles published so far are: *Building aspects of terotechnology* No 1 – *The management of physical resources: buildings and services* (1977); *Communication aspects of terotechnology* No 1 – *Technical communication* (1976); *Design aspects of terotechnology* No 1 – *Policy and practice* (1975); *Maintenance aspects of terotechnology* No 2 – *Planned maintenance* (1975); and *Management aspects of terotechnology* No 1 – *Life-cycle costing* (1975) and No 2 – *Management accounting* (1976).

A leaflet entitled *National Terotechnology Centre* (1975) describes the facilities and services of the centre which works under contract to the Department of Industry. The centre also produces *Terotechnology News* which is mailed free to UK addresses.

Committee for Terotechnology. The above publications are available free from: MEPT3, Room 539, Abell House, John Islip Street, London SW1P 4LN; *or from*: The National Terotechnology Centre. Cleeve Road, Leatherhead, Surrey KT22 7SA.

'T & I' index inquiries

Readers wanting to know when articles and items of information were published in *Trade and Industry* should consult the published indexes which are issued free to subscribers. For material published in recent months, inquiries of this kind can be made to the Department of Industry Library's indexing section, tel. 01-215 5842. (Alternative no 01-215 5051.)

European community news

Measures against textiles and roller bearing imports agreed

Talks with the United States about ways of making progress in the multilateral trade negotiations (mtns) and on the position in the negotiations for the renewal of the multifibre arrangement (mfa) in Geneva were the subject of a report by the commission to EEC foreign ministers at their meeting in Brussels on 26 July.

David Owen, Secretary of State for Foreign and Commonwealth Affairs made this point in a written reply to a Commons question on 27 July. He said that the commission would open bilateral negotiations with the textile exporting countries as quickly as possible, reflecting the community's mandate in full and in detail and keeping close contact with member states.

Dr Owen said that the council had agreed on community measures to be taken immediately against imports of certain textiles. It had also agreed on the measures to be taken following the finding that Japanese roller bearings had been dumped in the community market.

Britain had drawn attention to the need for flexibility in handling the negotiations at the International Sugar Conference and the council had agreed that this question should be re-examined in September.

Dr Owen explained that the council had been mandated by the European council in June to resolve the question of where the joint European torus (Jet) nuclear fusion project should be sited (see *Trade and Industry*, 29 July page 163). The Belgian presidency, he said, had conducted informal soundings amongst foreign ministers to try to establish a concensus in favour of either Culham (UK) or Garching (Germany). It had again proved impossible to secure a decision.

It had been agreed, however, that there should be contacts between Britain and Germany in early September with the involvement of the presidency. The council would then make a further effort to reach agreement on 20 September. In the meantime the contracts of personnel working at Culham on the design of Jet would be extended to 30 September.

On external fisheries matters, it had been agreed that the commission should continue its contacts with a number of west African states with a view to obtaining satisfactory conditions for community fishing off their coasts, a matter of particular concern to the Italian government. The council had also agreed to roll forward the existing fisheries quotas for Spain until the end of September.

Guidelines had been agreed for the further negotiations with Canada which the commission would now hold on uranium supplies to European countries.

Ministers had also decided that signature of agreements with Cyprus and Malta should take place in September. The council had taken note of a Lebanese request for access to loans from the European Investment Bank and agreed that the bank should be consulted. The ministerial meeting with the Greeks in the margins of the council had been a further round of the accession negotiations. The next meeting would be in October.

The council had noted with satisfaction the interim trade and aid arrangements for Djibouti in the period before it accedes to the Lomé convention. In the margins of the council ministers had met in political co-operation and discussed other African matters.

Ministers had noted that the next meeting of the general commission of the Euro-Arab dialogue would take place in October and had stressed the importance that they attached to its success.

Spain applies for EEC membership

Spain submitted a formal application to join the European community on 28 July. The letter of application was handed over to Henri Simonet, Belgian foreign minister and president-in-office of the council of ministers by Marcelino Oreja Aquirre, the Spanish foreign minister.

Spain is the third country to apply for membership of the community in the last two years. Greece applied in June 1975 and Portugal in March this year.

Public companies to adopt new designation under EEC directive

Public companies will be required to adopt a new designation under the EEC second directive on company law, Edmund Dell, Secretary of State for Trade told the Commons on 28 July.

The EEC second directive on company law, adopted in December 1976 (see *Trade and Industry*, 7 January 1977, page 33) regulates the formation of public companies and the subscription and alteration of their capital. The Department of Trade has prepared an explanatory and consultative note* about changes that will be necessary to UK company law in order to implement the directive. The government intends to introduce legislation during the 1977/78 session in order to implement the directive by December 1978.

The directive requires public companies to adopt a designation which is different from that of private companies, to have a substantial minimum capital, and to be subject to a number of other detailed requirements about the manner in which the capital is to be subscribed, the payment of dividends and the increase of capital. In order to give effect to the directive, it will be necessary for the present definitions of private and public companies to be changed, and make further amendments to UK law, in order to take account of the new and more stringent requirements relating to public companies.

Mr Dell explained that he had decided that public companies, rather than private companies, would be required to adopt a new designation. This would ensure that no administrative costs would be incurred by private companies as a result of implementing the directive, and would make easier the task of ensuring that only those companies which met the requirements of the directive traded as public companies.

It is proposed that the minimum capital for public companies should be set at £50,000. There will be provisions covering those companies which are at present public companies but which do not meet this requirement for subscribed capital, and new rules governing the conversion of a private to a public company and vice versa.

* 'Implementation of the Second EEC Directive on Company Law', an explanatory and consultative document, is available from Companies Policy Division, Department of Trade, Room 645, Sanctuary Buildings, 16-20 Great Smith Street, London SW1P 3DB.

Anglo-German coal co-operation agreement extended

An agreement concluded in 1975 between the National Coal Board and the West German coalmining company, Saarbergwerke AG, (SBW) to exchange information and contacts on a wide range of coal industry topics, has proved so valuable that the two organisations are to continue and extend the contacts.

At a meeting in London on 22 July NCB chairman, Sir Derek Ezra and Dr Rudolf Lenhartz, chairman of Saarbergwerke AG,

reviewed the successful working of the agreement, which includes 'twinning' the operation of two high-performance collieries – Silverdale in the NCB's western area, and Ensdorf in the Saar.

The 'twinning' operation has already enabled direct comparisons to be made between examples of the best management and mining techniques available in each country, and it was agreed at the meeting to extend the co-operation to producing an in-depth performance study of the two pits and to produce a joint report.

Extensive contacts have already been established between NCB and SBW on coal utilisation, including blending techniques for coking coals, special cokes, coal gasification and liquefaction.

The two organisations will step-up exchange of information on fluidised-bed combustion for the general industrial market for which the NCB are developing medium and small-sized units which are of especial interest to the German company.

Coal gasification, a subject of growing interest throughout the world, will also be a subject of continued close collaboration. The emphasis there will be on an improved process for making low Btu gas being developed by SBW.

Additional tariff quota for unwrought magnesium

The article concerning tariff quotas in 1977 (*Trade and Industry* 21 January 1977, pages 174-6) included details of duty-free tariff quotas for three grades of magnesium opened on 1 January. The United Kingdom's share of the quota relating to the grade of unwrought magnesium containing not less than 99.8 per cent but less than 99.95 per cent by weight of pure magnesium (HM Custom's tariff quota reference number 4959) was exhausted in January (see *Trade and Industry* of 25 February 1977, page 510); of the shares available for the other two grades that for alloyed magnesium is unused and that for extra pure has not yet been exhausted. However, increases in the duty-free tariff quotas for magnesium have now been agreed and, in accordance with the EEC regulation (published in the *Official Journal of the European Communities* L134 of 23 July 1977) additional amounts are available from 30 July 1977 as follows:

Tariff heading	Item	Amount
ex 77.01 A	Extra pure magnesium intended for the nuclear industry	500 tonnes added to EEC reserve and available for the UK
	Unwrought magnesium not in alloy (as defined above)	105 tonnes initial share for UK; there is also a small EEC reserve
	Unwrought magnesium in alloy	an additional amount added to the EEC reserve

Qualifying imports will be debited against the tariff quotas in the order in which any importer enters them for home use and claims relief from duty (see HM Custom's notice 771); in the case of the magnesium containing between 99.8 per cent and 99.95 per cent by weight of pure magnesium, claims will be taken in respect of entries made on and after 30 July 1977.

Any general inquiries about this notice should be made to General Division 2 of the Department of Trade, Room 333, Kingsgate House, 66-74 Victoria Street, London SW1E 6SJ. Inquiries as to how much of a particular tariff quota has been used should be made to the Central Tariff Quota Unit, HM Customs and Excise, Kings Beam House, Mark Lane, London EC3R 7HE, tel. 01-626 1515 ext. 2570.

New legislation

The legislation listed below has been published in the *Official Journal of the European Communities* as indicated against each item. The *Official Journal* is now published in English and copies should be obtained from HMSO. Information about the items listed, in so far as other member states' requirements are concerned, is available to British exporters from Department of Trade, Export Services and Promotions Division, Export House, 50 Ludgate Hill, London EC4M 7HU, tel. 01-248 5757, ext. 7174/482/408.

Common agricultural policy

The texts of the following regulations and directive which affect the various agricultural sectors in the EEC have been published in the *Official Journal of the European Communities*.

General. Regulation (EEC) 1633/77 amending regulation (EEC) 192/75 laying down detailed rules for the application of export refunds in respect of agricultural products by suspending until 1 October 1977 the application of article 8 (4) (*Official Journal* L181, 21 July 1977).

Processed fruit and vegetables. Regulation (EEC) 1637/77 amending regulation (EEC) 522/77 laying down special provisions applicable to trade in tomato concentrates and peeled tomatoes between the community as originally constituted and the new member states (*Official Journal* L183, 22 July 1977).

Milk and milk products. Regulation (EEC) 1638/77 amending regulation (EEC) 823/68 as regards the conditions for the entry of certain cheeses under certain tariff headings (*Official Journal* L183, 22 July 1977).

Cereals and rice. Regulation (EEC) 1639/77 determining for the 1977/78 marketing year the threshold prices for husked rice and broken rice (*Official Journal* L183, 22 July 1977).

Regulation (EEC) 1628/77 laying down the method for determining the minimum bread-making quality of common wheat (*Official Journal* L181, 21 July 1977).

Regulation (EEC) 1629/77 laying down detailed rules of application for special intervention measures to support the development of the market in common wheat of bread-making quality (*Official Journal* L181, 21 July 1977).

Regulation (EEC) 1630/77 implementing a special intervention measure for common wheat of bread-making quality at the start of the 1977/78 marketing year (*Official Journal* L181, 21 July 1977).

Oils, fats and oilseeds. Regulation (EEC) 1620/77 on imports of olive oil originating in Lebanon (*Official Journal* L181, 21 July 1977).

Regulation (EEC) 1632/77 supplementing regulation (EEC) 1799/76 laying down detailed rules for the application of special measures in respect of linseed (*Official Journal* L181, 21 July 1977).

Soya beans. Regulation (EEC) 1631/77 derogating from regulation (EEC) 1790/76 as regards the closing date for the lodging of crop declarations in respect of soya beans for the marketing year 1977/78 (*Official Journal* L181, 21 July 1977).

Fruit and vegetables. Regulation (EEC) 1636/77 laying down protective measures applicable to the import of peaches originating in Greece (*Official Journal* L181, 21 July 1977).

Animal feedingstuffs. Eighteenth commission directive 77/471/EEC amending the annexes to directive 70/524/EEC concerning additives in feedingstuffs (*Official Journal* L180, 20 July 1977).

Sugar. The *Official Journal* L168, 6 July 1977, contains the texts of the following regulations: Regulation (EEC) 1508/77 on the conclusion of the agreements in the form of exchanges of letters between the European Economic Community and Barbados, the People's Republic of the Congo, Fiji, the Co-operative Republic of Guyana, Jamaica, the Republic of Kenya, the Democratic Republic of Madagascar, the Republic of Malawi, Mauritius, the Republic of Surinam, the Kingdom of Swaziland, the United Republic of Tanzania, Trinidad and Tobago, the Republic of Uganda, and also the Republic of India, on the guaranteed prices for cane sugar for 1977/78.

Agreements in the form of exchanges of letters between the European Economic Community and Barbados, the People's Republic of the Congo, Fiji, the Cooperative Republic of Guyana, Jamaica, the Republic of Kenya, the Democratic Republic of Madagascar, the Republic of Malawi, Mauritius, the Republic of Surinam, the Kingdom of Swaziland, the United Republic of Tanzania, Trinidad and Tobago and the Republic of Uganda, on the guaranteed prices for cane sugar for 1977/78.

Agreement in the form of an exchange of letters between the European Economic Community and the Republic of India on the guaranteed prices for cane sugar for 1977/78.

Regulation (EEC) 1509/77 fixing the guaranteed prices applicable for cane sugar originating in the overseas countries and territories (OCT) for 1977/78.

EEC-Maghreb agreements

The *Official Journal of the European Communities* L159, 29 June 1977, contains the texts of the following regulations:

Regulation (EEC) 1406/77 on the conclusion of the agreement extending the interim agreement between the European Economic Community and the People's Democratic Republic of Algeria.

Agreement extending the interim agreement between the European Economic Community and the People's Democratic Republic of Algeria.

Regulation (EEC) 1407/77 on the conclusion of the agreement extending the interim

agreement between the European Economic Community and the Kingdom of Morocco.

Agreement extending the interim agreement between the European Economic Community and the Kingdom of Morocco.

Regulation (EEC) 1408/77 on the conclusion of the agreement extending the interim agreement between the European Economic Community and the Republic of Tunisia.

Agreement extending the interim agreement between the European Economic Community and the Republic of Tunisia.

Further information: Department of Trade, Commercial Relations and Exports Division 1, Branch 3, 1 Victoria Street, London SW1H 0ET, tel 01-215 3472.

Temporary suspension of the CCT

Trade and Industry of 29 July 1977, page 192 contained a notice about the EEC council of ministers' decision to suspend duties on certain fresh, chilled or frozen herring fillets and on certain other prepared herrings. The text of regulation (EEC) 1610/77 implementing this decision to temporarily and totally suspend the autonomous common customs tariff duties on certain herrings intended for the processing industry has now been published in *Official Journal* L180, 20 July 1977.

Common commercial policy

Textile imports. The *Official Journal of the European Communities* L174, 14 July 1977, contains the text of regulation (EEC) 1566/77 making the importation into the community or certain member states of cotton yarn and garments originating in certain third countries subject to authorisation.

Further information: Department of Industry, Chemicals and Textiles Division, Millbank Tower, Millbank, London SW1P 4QU, tel. 01-211 6023.

The *Official Journal of the European Communities* L183, 22 July 1977, contains the text of regulation (EEC) 1642/77 concerning import arrangements for certain textile products originating in Thailand and repealing regulation (EEC) 845/77 for Thailand and regulation (EEC) 1183/77.

More community news

Information on European community matters and about member states can often be found in other sections of *Trade and Industry*. For this week's additional news, turn to the following pages:

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Choosing a business partner elsewhere in the community

The Commission of the European Communities set up the business co-operation centre to encourage co-operation between firms in different member states wishing to increase competitiveness and respond to the opportunities opened up by access to the community's markets. Co-operation is defined as pooling one or more activities of partner firms: for example, in research and development, supplies, production, marketing and sales and management.

A firm seeking the centre's help will be asked to provide certain information about itself, and to define exactly what type of partner and what type of co-operation it wants. All the information supplied, and any inquiries received, are treated as strictly confidential, and no names are revealed without the agreement of all parties. The centre will search its files for a suitable partner, and if the application cannot be matched with an offer already registered, will, if the firm agrees, circulate a summary of the firm's requirements, with no names mentioned, to the 'correspondents' which it has in every country of the community.

It is as one of the centre's correspondents in this country that we reproduce the latest batch of requests for co-operation. Readers wishing to obtain further information should write direct to the centre at the following address, quoting the reference number of the request(s) in which they are interested: Business Co-operation Centre, rue Archimede 17, B-1040 Brussels. The centre makes no charge for its services.

BRE/4657/25

Italian group, operating in the chemico-pharmaceutical sector, two of whose companies manufacture and the third markets animal foodstuff and hygiene products, human and industrial prophylactic products, basic chemicals for the pharmaceutical and zootechnical industries, seeks a European co-operation partner.

The group turnover is approximately 10,000 million lire, employs about 200 persons of whom 100 are concerned with sales, and has established an important sales network.

The co-operation could initially involve an exchange of sales networks and technology leading to joint research into new synthetic chemical primary materials and for new products in the field of zootechnology.

Languages: English, French.

BRE/4596/25

German company employing 300 persons, subsidiary of a larger group within the chemical industry, of which it is the sales agency for washing and cleaning products (branded products), personal care products, insecticides and gardening products; selling mainly to the retail trade (non-food, hardware shops) chemical cleaning firms and laundrettes and also to industry; seeks wholesaler in Great Britain serving the same branch or manufacturer of personal care products, of medium size with national sales organisation, for mutual distribution and, where appropriate, setting-up of joint sales subsidiaries in non-community markets.

Languages: German, English, French, Italian.

BRE/4627/321

French family business manufacturing mechanical equipment for handling straw, hay and maize forage ie loading elevators, bale loaders and silage cutters (60 per cent of turnover) and for grain handling ie bucket elevators, ventilators and separators (40 per cent of turnover), with a turnover of 10 million FF and 80 employees, selling through four exclusive agents and 250 concessionaires, seeks European partners manufacturing sprayers, harrows, sowing machines, soil preparation equipment, self-loading trailers. The co-operation would consist of a reciprocal sales agreement for the products of the respective partners.

Languages: French, English, German.

BRE/4614/327

French limited company with 500 employees and a turnover of 45 million FF manufacturing for sale to the market with own injection presses for thermoplastics and elastomers, rough timber barking and sawing machines; and special machines (in small and medium series) to customers' specification, seeks co-operation with a manufacturer of machines for the plastic industry, with a manufacturer of complementary machines for the processing of rough timber (ie circular saws) selling his products to lumber or saw-mill customers.

The co-operation would consist of the purchase or exchange of licences. The French firm could also assemble, set up and maintain the product of the partner.

Languages: French, English, German.

BRE/4024/453

French limited company specialising in the manufacture of garments for children up to 12 years old (layette, gowns, rompers, jumpers, trousers, skirts, sportswear) with a turnover of 32 million FF, 420 employees, seeks co-operation with a British firm of similar size, manufacturing complementary products (hosiery, jerseywear for children, knitted layettes, pullovers) or in interlock. The co-operation would consist of reciprocal sales of each other's products.

Languages: French, English, Italian.

BRE/4667/45

Italian limited company producing fine quality outer knitwear for men with a turnover of 3,600 million lire and 200 employees, seeks a co-operation partner in the United Kingdom for the reciprocal exchange of sales networks and the respective complementary products of each partner.

Languages: English, German, French.

Overseas trade news

ECGD introduces exchange rate cover

Extra protection against exchange-rate movements for exporters negotiating foreign currency financed projects can now be provided by the Export Credits Guarantee Department. This was announced by Edmund Dell, Secretary of State for Trade on 28 July. The new scheme became available on 1 August.

Exporters bidding in foreign currency for project contracts overseas need to know how much sterling they will earn from their currency contracts in order to fix their tender price. The forward exchange market enables them to do this but there is often a period of several weeks or months between the time at which exporters are required to tender and fix their price and the time at which the contract is awarded. The ECGD scheme will protect exporters if forward exchange rates alter by more than a small margin during this period.

The department's guarantee will be available to exporters using ECGD foreign currency facilities for up to nine months from the date when the exporter needs to fix his tender price in foreign currency.

Exporters who succeed in winning an order in this period will then be assured of the sterling outturn of their contract, irrespective of forward exchange-rate movements since date of tender.

Anglo-Soviet interest charges

Interest rates on exports credits under the Anglo-Soviet credit agreement of 1975 will go up, Edmund Dell, Secretary of State for Trade announced in answer to a parliamentary question on 27 July.

He said that the Soviet authorities had been informed that, as from 17 August, the Export Credits Guarantee Department would support finance for contracts signed within the framework of the arrangement at interest rates not less than the export credit guidelines which most major trading nations have introduced and to which the UK government adheres. This would, he said, generally involve some increase in the rates chargeable.

Loan for methanol plants backed by ECGD . . .

Repayment and availability of funding for a $233 million loan which Morgan Grenfell, acting on its own behalf and a syndicate of banks, has made available to Vneshtorgbank, the Soviet bank for foreign trade has been guaranteed by the Export Credits Guarantee Department. This is the largest loan ECGD has guaranteed to the Soviet Union.

The loan will help finance the $275 million contracts awarded to Davy Powergas Ltd (Davy International) and Klöckner Ina Industrial Plants Ltd by V/O Techmashimport for the design, supply, supervision of erection and commissioning of two methanol plants, one at Gubaha in the Urals, the other at Tomsk in Siberia.

This loan (worth an equivalent of £148 million) brings the total value of financial agreements to be signed under the credit arrangement made with the USSR in February 1975 to £300 million.

It also brings the total value of ECGD backed foreign currency loans to over $300 million.

. . . and dollar loan to Ajman

The department has also guaranteed the repayment and availability of funding for a $4.7 million loan which Morgan Grenfell again acting on behalf of itself and a syndicate of banks, has made available to the Ruler of Ajman.

The loan will help finance a contract of $8.3 million awarded by the ruler to F. J. C. Lilley (Marine) of Glasgow, for the construction of a wharf in Ajman, one of the United Arab Emirates.

New BOTB charges for export services

New charges are to be introduced for the British Overseas Trade Board's services to exporters. The new charges, which have been arrived at after consultation with the British Overseas Trade Advisory Council, and other industry interests, have been approved by the Secretary of State for Trade. Details are as follows:

Overseas trade fairs

Charges to firms exhibiting in trade fairs overseas under the board's joint-venture scheme will be increased with effect from 1 April 1978 to £15 per m^2 for inside space, including shell stand, and £7.50 for outside space. Exhibitors will be eligible to claim a 50 per cent discount on these charges for the first two participations by a firm in a particular joint venture.

The charge to firms exhibiting in British pavilions will be increased to £35 per m^2 with effect from 1 April 1978 and £17.50 per m^2 for outside space.

Charges for all-British exhibitions will continue to be calculated for individual exhibitions.

Export Intelligence Service

The minimum prepayment for the card service for new and renewed subscriptions will be £37.50 (for 150 cards) with effect from 1 September 1977. The price of the *EIS Gazette* will rise correspondingly to £500 per annum, also with effect from 1 September.

Status reports

The charge for status reports will be increased to £10 (plus VAT) with effect from 1 September.

Agency finding service

The charge for the agency finding service will continue to be £50 (plus VAT), including relevant status reports.

Lists of overseas traders

A charge of £1 (plus VAT) will be introduced for lists of overseas traders prepared by the board in response to requests by UK exporters.

Publications

Selected publications will bear a charge; a new desk guide to export services to be published later this year as a successor to the export handbook, will carry a charge of £2.50. A charge of £1 per copy is also to be introduced for the board's *Hints to Business men* series.

While many of the board's services are free the board's policy is to charge for particular services as a test of the value attached to them by exporters. Selective charging helps to ensure that the public funds available to the board are used as effectively as possible in support of industry's export promotion activities. It also encourages users to consider whether they are able to make profitable use of a service before asking for it. Revenue considerations are secondary.

The board currently recovers only 7 per cent of the cost of the charged services and only 3.5 per cent of the total costs of export promotion services at home and overseas (£60 million).

Birmingham seminar on export planning and research

Export planning and research is to be the subject of a one-day seminar in Birmingham jointly organised by the British Overseas Trade Board and the Market Research Society in association with the Institute of Export and the Institute of Marketing.

The seminar which will be held at the Birmingham Chamber of Industry and Commerce on 29 September is designed to

appeal to executives with little or no experience of overseas marketing. Its content will be practically based and the emphasis will be on medium and small firms and industrial goods.

The keynote speaker will be David Owen, chairman and managing director of the Rubery Owen group, who has had long and successful experience in the international marketing of industrial goods.

The seminar's technical sessions will cover sources of information and library services; preparatory market research and its organisation in the selection of suitable markets; distribution systems and the selection of agents; promotion overseas; and control and delegation of local decision taking. Papers will be based on actual case experiences of the speakers. After lunch there will be a presentation by BOTB executives from London and the west Midlands region about the technical and financial assistance available to current or potential British exporters.

Participation in this event will be limited to 60 persons, to allow the fullest personal communication throughout the day.

The seminar will take place at the chamber's offices: 75 Harborne Road, Birmingham, and the fee, including coffee, lunch and tea will be £18, inclusive of VAT.

Applications should be sent to the Secretary, Market Research Society, 15 Belgrave Square, London SW1.

Technex mission to Saudi Arabia

Setting off to Saudi Arabia is a Technex mission to investigate specific plant construction opportunities in the eastern province. Members of the mission are (left to right) John Chadwick (Strategy), Paul Cautley (director of Technology Transfer Group), Brian Mottershaw (Staveley Lime Products), Stuart Johnson (King Taudevin and Gregson Ltd).

Hints to business men booklets

Revised edition of the booklets on France, Southern Africa, including South Africa, South West Africa (Namibia), Botswana, Swaziland, and Lesotho have been published in the *Hints to business men* series. British business men who intend visiting these countries on export business can obtain copies of the booklet from Export Services and Promotions Division, Department of Trade, Room D 05, Export House, 50 Ludgate Hill, London EC4M 7HU, tel. 01-248 5757 exts. 7145/7146, or any regional office of the Department of Industry.

Advertisements are accepted for all booklets in the series which covers over 100 countries. Inquiries about advertising should be addressed to Cheiron Press Ltd, 8/10 Parkway, London NW1 7AD, tel. 01-267 1285.

Electronic components: new international specification

A new international specification for electronic components has been published by the British Standards Institution. Entitled BS CECC 25000 *Harmonized system of quality assessment for electronic components: Generic specification: Inductor and transformer cores for telecommunications*, it provides details of the terminology, quality assessment procedures and test and measurement conditions applicable to the entire range of such components. Sectional specifications, which lay down appropriate tests for particular sub-divisions of cores, are based on this generic specification.

The standard is issued in the BS E9000 series since it is a harmonised specification within the CECC system. Components manufactured to these requirements are accepted by all member countries without further testing.

BS CECC 25000 may be obtained from BSI Sales Department, 101 Pentonville Road, London N1 9ND, price £6.60.

German rules for pressure vessels available in English

The mandatory German design rules for stationary pressure vessels, AD-Merkblätter, are now available in English from Technical Help to Exporters (THE), the export advisory service of the British Standards Institution.

THE has signed an agreement with the German publishers Carl Heymanns Verlag, to become the only other organisation in Europe to stock and sell these mandatory rules. Their availability in the UK offers UK manufacturers considerable savings in time and money.

Compiled by the Arbeitsgemeinschaft Druckbehalter (pressure vessel working group) which comprises six German trade associations, including VDMA and VdTUV, the Merkblätter (worksheets) contain directives for materials, manufacture, design, inspection and tests. The safety aspects of pressure vessels are covered in another mandatory German code, VBG 17 Pressure Vessels, already available in English from THE.

Based extensively on DIN standards, the AD-Merkblätter consist of 54 individual rules covering particular aspects of pressure vessels. These can be bought separately or as a whole, complete with plastic ring-binder.

The individual rules range in price from 80p to £4 for THE members, and £1 to £5 for non-members, and the complete code costs £62 for members and £77 for non-members, offering significant savings over the individual purchase of the rules.

An updating service will be operated by THE but this will only be available to purchasers of the complete code.

Copies are available from the THE Sales Office, British Standards Institution, Maylands Avenue, Hemel Hempstead, Herts, tel. 0442 3111.

Licensing exports of non-alloy ferrous scrap to countries outside the EEC

The European community's previous arrangements for licensing exports of non-alloy ferrous scrap to countries outside the community expired on 30 June. It has not been possible for member countries to reach unanimous agreement on arrangements for the second half of 1977 and further discussions are to take place in September.

From 1 July the UK has been operating interim arrangements in order to allow export orders obtained by UK merchants to be met pending a decision in Brussels. Until a community decision is reached these arrangements will be continued on the following basis. Applications for licences to export low-grade and fragmentised scrap will be considered from all exporters providing evidence of firm orders and may include up to 25 per cent of other high-grade scrap.

The following types are treated as low-grade or fragmentised scrap, and other high-grade scrap covers all other non-alloy ferrous scrap:

1 compressed baled material, other than compressed unused sheet and sheet cuttings;
2 loose, used, wrought material containing 90 per cent or more, by weight, of a material of a thickness not exceeding 3 mm;
3 turning and borings;
4 fragmentised used wrought material

Licences will be valid for a period of not more than two months. Further applications may be submitted when any previous licence has been used.

Applications should be made to the Department of Industry, Iron and Steel Division, Room 724, Thames House South, London SW1P 4QJ. These should give details of the intended shipments and supporting documentary evidence (in English) of the order. Telex messages giving full details will be accepted but must be followed within not more than two weeks thereafter by written confirmation of the order.

Exporters will be required to report to the Department of Industry by not later than the sixth day of each month exports made against such licences in the preceding calendar month.

The arrangements announced in this notice are subject to review in the light of experience of the monitoring of actual exports.

Inquiries on issue of licences: Department of Trade, Export Licensing Branch, Sanctuary Buildings, Great Smith Street, London SW1P 3DB.

Aid yields £11m for British industry in June

British industry received over £11 million in June from orders following grants and loans made to developing countries by the Ministry of Overseas Development and administered by the Crown Agents.

The following were among the largest contracts accepted for financing in June, including earlier contracts now accepted for reimbursement from aid funds:

Textile machinery spares for Bangladesh (£52,303) from James Mackie and Sons Ltd, Belfast; oxygen and acetylene cylinders for Bangladesh (£47,472) from BOC Ltd, Rotherham; workshop tools for Ethiopia (£53,406) from Reynolds and Wilson Ltd, Surbiton, Surrey; wool washing and drying equipment for India (£175,645) from Petrie and McNaught Ltd, Rochdale; a television scanning system (£50,006) from Cambridge Scientific Instruments Ltd, Cambridge; a pilot launch for Pakistan (£255,200) from McTay Marine Ltd, Bromborough, Merseyside; diesel tractors and parts for Sri Lanka (£272,000) from Ford Motor Co Ltd, Basildon, Essex; motor vehicle spares for the Sudan (£145,007) from B. Ashworth and Co Ltd, London; PVC pipes for Swaziland (£42,086) from Yorkshire Imperial Plastics, Hunslet, Leeds.

The orders for all the above items were placed by the Crown Agents.

UK aids Brazilian technical education

Britain is supplying equipment worth over £200,000 from aid funds to help the development of the Bahai Centre of Technical Education (Centec) in Salvador, north-eastern Brazil. In addition, a team of four British experts in various branches of engineering is advising on the organisation and content of the courses, teaching methods and laboratory equipment needs. Two other British advisers are to join the centre later this year.

Centec, which opened in September 1976, was designed to provide school-leavers in the 17 to 20 age group with the opportunity to take middle-level technical courses in subjects particularly relevant to the needs of local industry in Salvador and in other industrial centres in the north-east of Brazil, such as Recife.

Aid for Lesotho telecoms

Britain will provide grants totalling £1.08 million to assist Lesotho's telecommunications system. The grants will be used to purchase and install new and expanded switching facilities at the local exchange in Maseru, the country's capital, equipment for trunk switching facilities, also at Maseru, and for four small automatic exchanges in selected rural areas. The equipment is to be supplied by Plessey Telecommunications Ltd of Liverpool. It is to be all electronic and the exchanges will be of the Pentex type.

Revised procedure for calculation of UK post landing charges

A revision of the simplified procedure for calculating deductions of UK post landing charges in the case of goods carried by road vehicle, ferry and container traffic from the continent of Europe came into effect on 18 July.

When goods are imported into the UK 1 in the course of trade within the community or 2 direct from third countries on the continent of Europe having been introduced elsewhere in the community, on terms which give delivery to an inland destination, a deduction from their price or from the charge for through carriage (as appropriate) may be claimed for duty purposes if the price or the charge would have been less for delivery at the port or place of importation into the UK.

Simplified procedure

As a simplified procedure, a flat rate of 8p per tonne/mile from the place of importation or 20 per cent of the through freight charge, whichever is the greater, will be accepted by Customs for the present as representing the allowable deduction from a through freight charge giving inland delivery subject to a maximum of 45 per cent of that charge.

Deductions on this basis may be claimed by importers when a through charge for road ferry or container freight is payable separately by them (ie goods bought on fob or earlier terms) and duty is assessed on the basis of the invoiced price. A statement on the freight note to the importer should show details of the calculation.

Disclosure of import information

Consideration is being given, under section 3 of the Finance Act 1967, to the disclosure of import information on the following goods:

SITC(R)	Description	Code no.
717.13	Parts and accessories for machines for extruding man-made textiles; machines of a kind used for processing natural or man-made textile fibres; textile spinning and twisting machines; textile doubling, throwing and reeling (including weft-winding) machines –	
	For machines of a kind used for processing natural or man-made textile fibres –	
	Other than card clothing	8438 0626
	For other machines –	
	Other than spindles and spindle flyers; spinning rings and ring travellers	8438 0925
	Parts and accessories for weaving machines, knitting machines and machines for making gimped yarn, tulle, lace, embroidery, trimmings, braid and net; machines for preparing yarns for use on such machines, including warping and warp sizing machines and for auxiliary machinery for use with those machines –	
	Other than shuttles, sinkers or needles and similar articles –	
	For weaving looms	8438 1322
	For hosiery and other knitting machines	8438 1361
	Other	8438 1393

The government is consulting the Association of British Chambers of Commerce, 6 to 14 Dean Farrar Street, London SW1H 0DX on these proposals and the association will take into account any views received from importers by 2 September 1977.

Inquiries may be addressed to Economics and Statistics Division 5, Branch B2, Department of Industry, 1 Victoria Street, London SW1H 0ET, tel. 01-215 5645.

Notices to importers

Issued by the Department of Trade, Import Licensing Branch, Charles House, 375 Kensington High Street, London W14 8QH. Telephone inquiries should be addressed to the number at the end of the notice.

1626: Imports of potatoes other than seed potatoes

Notice to importers 1615 announced, among other things, the extension to 31 July 1977 of the validity of licences granted for imports of maincrop potatoes. Traders should note that the validity of such existing open individual import licences has been further extended until 7 August 1977.

On and after 8 August 1977 the normal ban on imports of maincrop potatoes will apply, and the normal ban on imports of new potatoes during September and October will also apply.

Inquiries: Import Licensing Branch, tel. 01-603 4644 ext. 272/379.

Review of overseas representation

Published on Wednesday this week, the Central Policy Review Staff's 'Review of Overseas Representation' makes wide-ranging recommendations on the structure and staffing of the UK's representation abroad. Some of the major conclusions are summarised below.

Britain should be represented overseas less by career diplomats and more by civil servants with specialist expertise and experience in government departments at home. This is one of the main conclusions of the report by the Central Policy Review Staff (CPRS) led by Sir Kenneth Berrill on Britain's overseas representation*.

The report suggests that one way (but not the only way) of achieving this shift would be by merging the diplomatic service with the home civil service, creating within it a foreign service group whose members would fill virtually all posts connected with overseas representation.

They would do this not only abroad and in the Foreign and Commonwealth Office but also in the Department of Trade and the Overseas Development Ministry, as well as some posts in other departments with limited but important overseas interests.

The report also concludes that Britain is at present putting more money and more highly-qualified people into overseas affairs than their effect on her overseas interests warrants. It recommends the reduction in size of posts in general and closing some 20 British embassies and high commissions and at least 35 consulates and replacing them with other forms of representation, including development divisions and honorary British trade representatives. The posts recommended for closure are in countries where Britain either has very limited interests and obligations, or conditions are such that embassies and consulates can achieve little. Fewer full-time resident representatives are needed in developed countries; resident representatives, the report argues, are more necessary in important countries whose languages and systems of government or economic management are unfamiliar.

Division of responsibilities

The report does *not* recommend the abolition of the Foreign and Commonwealth Office but it does conclude that home departments should have a greater say in the execution of overseas policy in their fields of domestic responsibility.

The existing tendency for home departments' staff to travel overseas to conduct business is to be encouraged and the Foreign and Commonwealth Office should share the responsibility for directing and staffing posts overseas with other departments which have important interests in the work of the post.

The report's reasoning behind these conclusions is that Britain's ability to influence political events in the world at large has diminished while the range of business between Britain and the rest of the world has widened.

Communications and travel have become easier, while the subject-matter of international relations has become more complex. Experts in different countries can and must talk directly to each other.

The report's approach

The report identifies four main overseas objectives:

- to ensure Britain's external security;
- to promote its economic and social well-being;
- to honour certain commitments and obligations (eg to dependent territories)
- to work for a peaceful and just world.

The CPRS analysed the different functions involved in the UK's overseas representation and looked at them in terms of these objectives, in terms of the need for the government to carry them out, and in terms of the way they are carried out.

Present priorities criticised

All the functions contribute to the four main objectives but some to a lesser extent than their share of the expenditure on overseas representation suggests. The 30 per cent of total net expenditure going on education and cultural work, external broadcasting and information work seems out of proportion with the contribution these functions can make to the achievement of the main objectives.

In many countries more is also put into the work of defence attachés and into political work than can be justified by their contribution to UK interests.

The need for the government to fulfil the various functions of overseas representation varies from country to country, and the level and type of the UK's representation should reflect this, says the report.

Cuts proposed

Extensive cuts are recommended in information work, in the number of defence attachés (mainly in western Europe) and in consular work.

External broadcasting by the BBC should be concentrated on those parts of the world where access to news and information is limited but in those places it should be made clearly audible.

Government involvement in educational and cultural work should be reduced in western, developed countries and the scale of British Council activities consequently reduced.

There are several government agencies involved in overseas educational work and there is unnecessary duplication and confusion of responsibilities. The CPRS recommends reform either by abolition of the British Council or by reducing its size in the UK (and by integrating the smaller agencies into it) and putting its work overseas into embassies and high commissions.

Staffing

For many of the functions of overseas representation, the CPRS considers that present staffing arrangements do not permit sufficient specialisation for acquisition of the expertise needed. For example, export promotion is a field where the quality of work benefits enormously from continued contact between staff and firms and markets.

At present relatively few Department of Trade or diplomatic service staff specialise in export promotion work. The Department of Trade staff who do the work at home get little experience overseas, and diplomatic-service export promoters have little experience of British industry at home. To a greater or lesser extent these problems affect most of the functions of overseas representation.

The creation of a foreign service group within a unified civil service and the phasing out of the diplomatic service would be one way to meet these defects. Such a group would fill most of the jobs in the UK and overseas in economic work, export promotion, aid administration and the areas of work currently done exclusively in the Foreign and Commonwealth Office by the diplomatic service.

The existence of such a group would:

1 facilitate the development of expertise,
2 give a higher proportion of civil servants the opportunity to work overseas,
3 limit the necessity for staff to spend too large a proportion of their careers overseas and thus get out of touch with the United Kingdom, and
4 encourage a community of attitudes among those working on overseas affairs in Britain and those working in posts abroad.

It is *not* the CPRS's intention to revive the historical split between the diplomatic service and the trade commissioner service. The recommendations on staffing and the internal organisation of embassies aim to achieve specialisation without separation.

The government's position

The government's position was set out by the Secretary of State for Foreign and Commonwealth Affairs, David Owen, in a parliamentary answer on 13 July.

He said the report was necessarily lengthy since it covered the whole field of overseas representation. Its recommendations also covered a number of departments, not just the Foreign and Commonwealth Office.

The government felt that it was most important that there should be an opportunity for all those concerned to express their views before taking any decisions, Dr Owen said. The staff sides (of the civil service) would be fully consulted and the government would wish to take full account of their views.

* 'Review of Overseas Representations' report by the Central Policy Review Staff: available from HMSO, price £8.50.

Overseas trade
export successes

Freepost reader service

For further information on items in this section, circle the corresponding number on the reader services page near the end of the magazine.

Road and bridge contracts for Mowlem

Mowlem has won two contracts in Tanzania and Kenya together worth almost £12 million.

The first, for a new port access road which avoids the city centre of Dar-es-Salaam, Tanzania, is worth £11 million and involves the construction of 16 km of four-lane highway and several bridges for major river crossings.

The second contract, valued at just under £900,000 is for the construction of Garissa Bridge in the north-eastern province of Kenya. The 126 m-long, three-span steel bridge is to be built on piled foundations and will carry the main Kenya to Somalia highway over the river Tana.

Work began in July and is due to finish in July 1979.

Further information: circle 598

Leyland tractors for Morocco

Leyland Tractors has won an order for 500 agricultural tractors worth £2 million from Morocco.

The tractors will be supplied to the newly appointed Leyland Tractors importers, Berliet-Maroc. Based near Casablanca, the company has depots throughout Morocco and already imports 400 truck kits a month from Leyland's Bathgate plant in West Lothian where the tractors are also built.

The order is for 400 Leyland 272 (72 hp) tractors and 100 Leyland 262 (62 hp) models. Shipments will begin in September and be completed by April 1978.

The tractors have an established reliability record and their straightforward specification is ideal for use in countries with an expanding agricultural industry. Morocco is currently investing heavily on ambitious irrigation projects which will provide more agricultural land.

Further information: circle 599

Marconi wins Dubai radio stations order

A series of contracts has been signed between the director general of the Dubai Radio and Colour Television Service, and Marconi Communication Systems, a GEC-Marconi Electronics company, for the supply of radio stations which will provide the United Arab Emirates with one of the world's most powerful sound broadcasting capabilities.

Totalling more than £5.5 million, the contracts are the most valuable to date to be won by Marconi for this type of equipment.

The principal contract involves the supply of three of Marconi's most modern type of high-power transmitter – the 300 kW hf equipment – together with two quadrant antennas, 15 wide-slew curtain arrays and a range of ancillaries. In addition Marconi will provide the UAE Radio in Dubai with a high-power, medium-wave broadcast station, comprising two 750 kW mf transmitters.

Further information: circle 601

Ruston's thousandth gas turbine

Ruston's thousandth gas turbine to be delivered. A type TA 1750 driving a generator, it is one of an order for 18 for Snam Progetti for installation in Iran for the National Iranian Oil Co. This turbine and the other 17 units will drive 1 MW generators to provide electrical power on the Marun-Esfahan-Rey pipeline, Iran. There will be three sets at each of six stations. The power is required for starting the large main oil line pump turbines and for site services.

Further information: circle 600

Mobile X-ray units for Saudi Arabia

Anglo Coachbuilders, a Batley firm has completed an order for the conversion of six Land-Rovers into mobile X-ray screening units for use in remote areas of Saudi Arabia. It is the first time that Land-Rover has approved an installation to mount a complete X-ray facility on one of its chassis.

The units, intended to operate where normal mobile X-ray vehicles cannot get, will give a screening service to people who could not travel to a hospital over the often forbidding desert terrain of the country's interior.

The specifications demanded that the units should be entirely self-contained. Each unit includes full mass chest X-ray facilities, automatic film processing equipment and dark-room, together with high-tension generators.

Further information: circle 602

Carburising plant for Iran tractor company

Contracts valued at about £500,000 have been awarded to Gibbons Brothers, a member of the Gibbons Dudley group, by the Iran Tractor Manufacturing Co of Tabriz, to design and build a Gibbons-Holcroft continuous furnace plant for the specialised surface heat-treatment of tractor parts.

The installation will comprise a single-track tray-pusher type carburising furnace, electrically heated, with facilities for both bulk quenching and selective press quenching of components; a post-treatment wash machine; and a recirculating atmosphere-type tempering furnace, also electrically heated; together with all temperature and atmosphere recording and controlling instrumentation.

Output will be about 410 kg/hour gross, when carburising typical components to an effective case depth of 1.27 mm.

Further information: circle 603

British machine tools to Yugoslavia

A complete package of British machine tools, worth nearly £200,000 is to be supplied to a Yugoslavian company by Matrix-Churchill International, Coventry.

The order is for one of Yugoslavia's major drill and tap manufacturers, Industrija Alata

of Trebinje.

The biggest part of the order is for Matrix 7901 high-speed tap grinding machines, which will be made at the TI-Matrix factory at Fletchamstead Highway, Coventry.

Also included is a Coventry Gauge DG100 drill-point grinder, an automatic and semi-automatic tap-lead grinder and a goniometer drill inspection unit.

Further information: circle 604

Yugoslavia orders Dowty roof supports

Dowty Mining Equipment's exports have been boosted by a £750,000 order from Yugoslavia for mine roof supports fitted with Dowval control system.

This latest order from Rudnic Lignita Valenje is for the new Dowty four-leg, 325-ton shield supports which have been sold in seven different countries during the past 10 months.

In Valenje mine, the Dowty supports will work on a 200 yd-long face in a 10 ft thick coal seam some 1500 ft below the surface.

Further information: circle 605

Scaffolding to Sweden

Kwikform, the scaffolding systems specialist of Birmingham has received an export order worth £1.5 million, from Kockums of Sweden to supply the staging to be used in the construction of two 133 000 m^3 liquefied natural gas carriers (LNG).

Kwikform's project engineering team, who designed the LNG equipment, have spent many months preparing more than 250 drawings and schedules.

Further information: circle 606

Hydrovanes keep the peace in Holland

British-made rotary-vane compressors are helping to preserve the peace in rural Holland. NAM, the Dutch natural gas company, has purchased 55 quiet-running Hydrovanes from Hydrovane Compressors of Redditch to power air-operated valves and cylinders in small distribution sub-stations located throughout country areas.

The sub-stations which operate round-the-clock, are frequently positioned within villages and even close to houses. So the need for quiet-running compressors is paramount if goodwill is to be maintained between the gas company and its customers.

The low operating noise levels of Hydrovane compressors coupled with their reputation for a long, trouble-free working life, were the principal factors behind the purchasing decision.

More than half are 10 hp, Hydrovanes, providing a continuous supply of 1104 litres/min of free air delivered at a constant 7 bar.

Further information: circle 607

Further space centre order

Extension of the space development facilities at the European Space Centre, Noordwijk, Holland, has resulted in further orders being received by Microflow Ltd, Fleet, for the installation and commissioning of two 4 m by 3 m horizontal laminar flow filter banks to be used in assembly and testing of space satellites.

On completion of the current order, Microflow will have supplied some 136 m^2 of filter bank to the European Space Centre.

Further information: circle 608

Plessey light pen aids French supermarket

A French supermarket chain, Minifix SA, and its purchasing organisation Socam at Landrecies in the north of France, have installed a Plessey system for stock control. The system will increase stock rotation through stock reduction and decreased delivery times.

Seventeen supermarkets and hypermarkets will be equipped with the portable data capture system 1450, incorporating a 'light pen' and keyboard, which will enable the shopfloor staff to record on tape cassettes all orders for next day's replenishment.

Further information: circle 609

Farrel Bridge gains third USSR order

Farrel Bridge, Rochdale, manufacturers of processing plant for the plastics and rubber industry, has won an order worth about £2 million for the supply of polymer production equipment to the USSR.

Destined for a petrochemical complex in Kazan being developed by main contractors Constructors John Brown, this is the third major Soviet order for Farrel Bridge in the last three years.

Farrel Bridge is supplying a master batch polymer production line based on a model 9D Banbury Mixer and three size-15, Farrel continuous mixer lines, feeding associated extruders and pelletisers.

Further information: circle 610

Unifeeds gains Malta trade

An agreement signed in Malta this week records another export success and opens up a new sales opportunity for Unifeeds International.

The agreement appoints the Maltese concern Bonnici, Edwards and Co Ltd as sole distributor for Unifeeds range of feeds on Malta and Gozo.

Since the first meeting on May 10 containers of concentrates have been shipped to Malta and, Unifeeds say, prospects for sales development are excellent with a trial now established with Poultry Products Ltd the island's largest broiler producers.

Further information: circle 611

Thai Airways buys two Airbus A300s

Thai Airways International has converted its two options for Airbus A300 B4s into firm orders, and has taken four additional options. Wings for the A300 European Airbus are manufactured by Hawker Siddeley Aviation Ltd, a British Aerospace company.

This brings total orders for Thai International to four firm orders plus four options.

Thai Airways International will take delivery of its first two A300s in October and December this year and will introduce them on its regional network from Bangkok to Taiwan, Japan and Hong Kong. Delivery of two more aircraft in 1978 will enable Thai International A300 services to be expanded to the Philippines, Singapore and Indonesia.

Further information: circle 612

Bangladesh places power orders

Two orders placed by the Bangladesh Power Development Board with UK companies are worth over £7 million.

The first, an order worth in excess of £2.5 million, has been placed with Ferranti Engineering and is for 32 transformers to be used in a composite power distribution scheme in and around the greater Dacca area.

The transformer division of Ferranti Engineering will be supplying the board with 27 10/14MVA 33/11 kV, 3-phase transformers and five 35/50MVA 132/33 kV, 3-phase transformers. All except one of the transformers will be fitted with Ferranti on-load tapchangers.

The second, for high-voltage electrical sub-stations worth over £5 million, has been won by Bonar Cruickshank Power Engineering of Aberdeen.

This is the first major order received by the new joint-venture company formed specifically for such overseas projects at the end of last year by Bonar Long and Cruickshank and Partners of Inverurie.

Further information: circle 613

Peabody air heaters for Zaire

Orders worth a total of £300,000 have been won in Zaire by Peabody Holmes for two of the company's pulverised-fuel fired, air-heating furnaces.

They will be supplied complete with light-oil burner ignitors, coal feeders, burner management systems and ancillary equipment. Each air heating furnace has a capacity of 8×10^6 Kcal/h, with a hot air outlet temperature of 650 °C.

Further information: circle 614

Overseas trade exhibitions

Educare: 'an essential international exhibition for British companies'

From Peter Webster, BOTB, in Sydney

British companies have shown themselves to be in the forefront in satisfying the increasing demands for educational and training equipment and materials in Australia. At the fourth international education exhibition and conference, Educare '77, in Sydney, 19 to 23 July, British firms were the largest overseas contingent – showing products ranging from film and sound equipment to books, writing materials and laboratory equipment. British speakers also made a major contribution to the conference on 'communicating – newer practical approaches to teaching and training' which was held simultaneously with the exhibition.

This fourth British joint venture at Educare '77 was sponsored by the British Overseas Trade Board in conjunction with the Industrial Council for Educational and Training Technology Ltd (ICETT).

Many of the British firms at the exhibition used it as a springboard to consolidate and extend their existing penetration of the Australian market. This was illustrated by Mr S. Bland representing Fordigraph who said 'We have had over 500 inquiries during Educare '77 and expect substantial orders for a wide range of our products. We see a continued growth in our sales to Australia, which started 25 years ago.'

This year over $5,000 million will be spent on education – offering great opportunities for British companies. Although the competition in the field of communications and teaching methods is intense, an increasing number of British firms are succeeding in selling in this market, showing that exports to Australasia are both possible and profitable.

As Robin Franklin, chairman of the ICETT export committee and international sales director of Guild Sound and Vision – one of the companies exhibiting at Sydney said 'I believe Educare is an essential international exhibition for British companies to attend. The interest in British products and services has certainly been very good and we have made the most of our opportunities. For example, British firms have used Educare both to take orders and to establish good agency networks – which are essential in Australia.'

Mr Franklin said he was convinced that Britain's educational products and services were the best in the world and in Australia; that it was proving it by competing with – and beating – competitors in meeting the requirements of the Australian Educational system.

Looking to the future, many of the British companies were very keen to participate in the next Australian Educare exhibition which takes place in 1979. The general attitude was reflected by Anax Pty Ltd, Australian agents for seven British companies who said 'We will definitely be at Educare '79.'

Today, the market for education and training aids in Australia is regarded, rightly, as one of the most important in the world by British firms. Educare '77 demonstrated that Britain can seize the opportunities for both products and services which can mean a multi-million pound export success story for Britain.

BFEC goes west

From Colum Sharkey, British consulate-general, Vancouver

With 42 tables of British food and drink products, ranging from cheese to confectionery and soup to shortbread, the British Food Export Council (BFEC) held its first western Canadian food show in the Bayshore Inn, Vancouver on 13 July.

Aimed at the affluent western Canadian food market, the 6000 sq ft display was the largest of the three food shows so far sponsored in Canada.

A BFEC trade mission of 11 UK firms, headed by Paul Amos, deputy managing director of Weetabix Ltd, made the show the focus of their Vancouver visit. A total of 28 firms manned displays of 70 different British lines in a salon decorated in British style for the occasion.

The show, attended by about 200 representatives from the trade, was regarded as a success by both exhibitors and their guests. It climaxed several months of hard work by the local organising committee, made up of representatives from the BFEC Canada committee, local distributors and the British consulate-general. Tributes included, 'A positive step in the right direction,' from Cyril Keetch, vice-president of Woodward Stores, which has 20 food floors.

Iraq chemical fertiliser fair

Baghdad is the venue for the first international fair for chemical fertilisers from 23 to 30 March 1978. This fair is being organised by the Iraqi fair administration under the patronage of the Arab Union for Producers of Chemical Fertilisers.

Firms requiring further information should write direct to the Chairman of the First International Fair for Chemical Fertilisers, Baghdad International Fair, Mansour, Baghdad. Correspondence should be copied to the Commercial Section, British Embassy, Sa'adoun Street, Kard Al Pasha, Baghdad.

At the BFEC western Canadian food and drink show at the Bayshore Inn, Vancouver, were (left to right) Mr H. Connell, chairman, BFEC Canada Committee; Mr P. Amos, deputy-managing Director, Weetabix Ltd; Mr J. B. Weymes, British consul-general, Vancouver; Mr S. Ahmed, National Importers Ltd; and Mr L. W. Voaden, British consulate-general, Vancouver.

Australian engineering exhibition attracts 50 UK firms

Robert Cotton (left) Australian Minister for Industry and Commerce, with Mr H. A. Dudgeon, acting British high commissioner, Canberra (right) and Mr Robbins of 600 Machinery Australia Pty Ltd (centre), discussing an exhibit from Richmond Machine Tool at the Melbourne international engineering exhibition. Over 50 British firms took part in the Melbourne International Engineering Exhibition from 25 to 30 July. The British Overseas Trade Board organised a British pavilion for the event – which is Australia's most important engineering show.

58th NATIONAL FAIR
Comptoir Suisse Lausanne

10th-25th September 1977

Swiss national autumn fair, with about 2500 exhibitors displaying products of the leading sectors of the Swiss economy: industry, agriculture, trade and crafts.

This year's guests of honour:
NIGERIA SAUDI ARABIA THAILAND

Leaflets available at:
Swiss Embassy, 16-18 Montague Place,
London W1H 2BQ, tel. 01-723 0701

and

Swiss Consulate General, Sunley Building,
Piccadilly Plaza, Manchester M1 4BH,
tel. 061-236 2933

ENCIRCLE TI 561 ON PAGE 263 FOR FURTHER INFORMATION

autumn fair
utrecht netherlands 4th-8th sept. 1977

daily from 9 am - 6 pm, but on sunday 4th sept.
from 10 am - 6 pm.

exhibition programme

clocks, gold and silverware / optics / glassware, pottery, crystalware and china / cutlery / housewares / giftware / far eastern articles / handicraft articles / costume jewellery / toileteries / smoker's requisites / lighting goods / leather goods / toys, handicraft and hobby requisites, sports goods and party novelties / office supplies and -machines / stationery.

organisation/catalogue

royal netherlands industries fair, utrecht
phone: (030) 914 914 - telex 47132.

u.k. agents

ECL (exhibition agencies) ltd.,
11 manchester square, london WIM 5 AB
phone: 09 - 44 1 486 1951

ENCIRCLE TI 559 ON PAGE 263 FOR FURTHER INFORMATION

Overseas trade country data

Argentina

Import liberalisation of cigarettes. Resolution 507/77 of 16 June lifted the import suspension on cigarettes under tariff number 24.02.02.00. The same resolution also reduced the import duty on cigarettes to 5 per cent on the cif value (previously 85 per cent cif).

Inquiries: OTAR 01-248 5757 ext. 474/476.

Import duty reductions. Resolutions 520 and 521 of 24 June list certain goods which have been the subject of duty reductions. These goods come under the following tariff chapters only:

17, 20, 21, 22, 23, 25, 28, 35, 69, 73, 84, 85, and 92

Resolution 318 of 3 May reduced the import duty on milk products classified under tariff 04.01.00.00 and 04.02.02.99 from 15 per cent to 5 per cent.

Inquiries: OTAR 01-248 5757 ext. 474/476.

Australia

IAC public hearings: paper, paperboard, paper products. A notice in *Trade and Industry*, 8 October 1976 and 5 November 1976 reported a reference to the Industries Assistance Commission on paper products, and certain paper and paperboard respectively.

It has now been announced that public hearings into these references will be held at the Public Inquiry Room, Industries Assistance Commission 16th Floor, 59 Goulburn Street, Sydney, NSW, commencing 9.30 a.m. Thursday 25 August 1977.

UK firms or trade associations intending to submit evidence at the public hearing should advise the Secretary, Industries Assistance Commission, PO Box 80, Canberra, ACT 2600 Australia, without delay. Evidence may be submitted either through the accredited agent of the firm or trade association concerned, or through the Australian-British Trade Association, 6th Floor, Dorland House, 18-20 Lower Regent Street, London SW1Y 4FW, tel. 01-930 2524, who will represent UK interests if authorised. The association charges a fee for its services, the amount varying according to the work entailed in the preparation of a submission and whether or not the interested party is a member.

Inquiries: CRE 01-215 5319. Ref: CRE 1744/76
CRE 1729/76

Draft IAC report on agricultural wheeled tractors. The Industries Assistance Commission has released a draft of the report of its inquiry into the question of whether assistance should be accorded the local production of agricultural wheeled tractors exceeding 105 kW at the power take-off.

The release of the draft report is to give interested parties an opportunity to examine and comment on it before final recommendations are made.

In order to receive submissions on the draft, the commission will hold a further public hearing in the Public Inquiry Room, Industries Assistance Commission, Kings Avenue, Canberra, ACT 2600 on Thursday, 18 August commencing at 10.00 am. Persons intending to make a submission should do so without delay.

A copy of the draft report may be obtained on loan from the Department of Trade, Room 336, 1 Victoria Street, SW1H 0ET, tel. 01-215 5319. Ref: CRE 1263/74

Short-term protection; room air-conditioners. A notice in *Trade and Industry*, 27 May, reported progress of the inquiry into the question of short-term protection for room air conditioners (tariff item 84.12). The government has now considered the recommendations made in the Industries Assistance Commission's report and has decided not to provide short-term assistance to the local industry manufacturing this product.

Inquiries: CRE 01-215 5319. Ref: CRE 4/75

Further information

In many cases further information on the notices published on these pages is available to British exporters from the Department of Trade. The main branches concerned are: Commercial Relations and Exports (CRE) Division, 1 Victoria Street, London SW1H 0ET (tel: direct dialling); and Overseas Tariffs and Regulations Section (OTAR), Export Data Branch, Export Services and Promotions Division, Export House, 50 Ludgate Hill, London EC4M 7HU (tel: 01-248 5757). In each case, the relevant information source is indicated at the end of the notice by its initials (OTAR or CRE) and, in the case of OTAR, the telephone extension.

Austria

Duty-free quotas for paper and paperboard exhausted. The Federal Ministry of Commerce, Trade and Industry has announced in BGBLs 317/77 and 337/77 that the duty-free quotas established for 1977 in accordance with protocol 1 of the Austria/EEC free trade agreement for goods classified under tariff headings 48.01 and 48.05 have been exhausted.

CCCN	Description	Duty
48.01.B.	Machine made paper (including cellulose wadding) in rolls or sheets	
2.	Paperboard made mechanically sheet by sheet (imitation hand made paperboard)	9.1%
48.05	Paper and paperboard, corrugated (with or without flat surface sheets) creped, crinkled, embossed or perforated, in rolls or sheets	
A.	Parchment paper (pergamyn) embossed or stamped	12.3% Max of AS 78 per 100 kg
B.	Other	12.3%

Imports originating in the UK will therefore be dutiable as indicated above until 1 January 1978 when new duty-free quotas will be opened or until the higher duties provided for in article 6 of protocol 1 are invoked.

Inquiries: OTAR 01-248 5757 ext. 458/461.

July 1977 tariff rates. On 1 July, under the terms of the EEC/Austria free trade agreement, duties on most industrial goods imported into Austria from the original EEC member states and Irish Republic were further reduced.

Many of these goods will now enter Austria free of import duty. UK manufactured goods which qualified for duty-free entry into Austria during the first half of 1977 will continue to enter duty free.

The correct documentation must accompany goods for which preferential tariff treatment is claimed.

Inquiries: OTAR 01-248 5757 ext. 458/461.

Barbados

Food preparations and pet foods: import licensing. By SI 142 of 1977, the Barbados authorities have announced that the following goods now require import licences:

Tariff heading	Description of goods
ex 21.07.9	Food preparations of macaroni, spaghetti, ravioli; beef gravy, chicken gravy
ex 23.03.1	Food for pets

Inquiries: OTAR 01-248 5757 ext. 7312/456/457.

Denmark

Display of prices. A new law concerning the labelling and displaying of prices for goods put up for retail sale came into force on 8 June.

Inquiries: OTAR 01-248 5757 ext. 7174.

Finland

Extension of surcharge on imports of women's panty hose (tights). The Finnish authorities have announced that the import surcharge on women's tights (ex 60.04) will be extended for one year until 26 June 1978.

The surcharge is the equivalent of any difference between the actual import price and the minimum import price of Fmk 1.60, as declared by the Finnish authorities some time ago.

The minimum import price of Fmk 1.05 which applies to knee length stockings (60.03A) has also been extended until 26 June 1978, but no surcharge has been announced on these goods.

Inquiries: OTAR 01-248 5757 ext. 458/461.

Prepayment for imports. The Finnish authorities have announced the following amendments to the list of imports which must be paid for in cash before release by the Finnish customs:

Certain goods falling within the following CCCN headings are no longer subject to prepayment:
05.05, 05.15, 18.01, 28.17, 28.45, 29.02, 31.02, 33.01, 33.04, 41.10, 43.01, 43.02 44.25, 70.03, 70.11, 71.05, 71.09, 85.20, 87.07 87.08, 92.10.

Certain goods in the following CCCN headings which were previously exempt are now subject to prepayment:
84.23, 84.56, 84.59, 84.61, 84.63, 84.65, 85.01, 85.22.

Inquiries: OTAR 01-248 5757 ext. 458/461.

The Gambia

Importation of motor vehicles. The Gambian government have announced that the importation of right-hand drive vehicles into the country is prohibited with effect from 1 August 1977.

Inquiries: OTAR 01-248 5757 ext. 473.

Indonesia

Packing and marking of hard drugs. The Indonesian Minister of Health has announced, with effect from 15 March that the phrase *Harus Dengan Resep Dokter* – ('must be upon doctor's prescription') must be written on the outside package, label, and on each wrapper containing hard drugs – that is blister pack, aluminium or cellophane strip, bottle, box, carton, can, tube, vial, or ampoule.

The phrase must be in the Indonesian language and clearly printed in a contrasting colour – this applies to hard drugs entering on and after 1 November.

Inquiries: OTAR 01-248 5757 ext. 469/401/468.

Registration of medicines. The Indonesian Minister of Health has announced in a decree on 9 June that the registering or re-registering of all finished medicines for the period 1 January 1978 to 1 January 1980 is to take place between 1 November 1977 and 31 December 1977.

Inquiries: OTAR 01-248 5757 ext. 469/401/468.

Iran

Air cargo warehousing. The Iranian Ministry of Commerce has recently issued a notice stipulating that the maximum time for the storage of goods in the customs' warehouses at airports will in future be 30 days.

If no action is taken to clear goods from airports seven days after expiry of the time limit, goods will be auctioned. No further details are available.

Inquiries: OTAR 01-248 5757 ext. 475/420.

Republic of Ireland

Measuring container bottles. The Department of Industry and Commerce published on 20 July 1977, Statutory Instrument 237 of 1977, entitled European Communities (Measuring Container Bottles) Regulations 1977. The regulations give effect to EEC directive 75/107/EEC.

With effect from 1 September 1977, the manufacture, import, sale or export of measuring container bottles shall be prohibited, otherwise than in accordance with a licence issued by the Minister of Industry and Commerce. Such a licence will only be issued to applicants who comply with the requirements of the regulations.

Copies of the regulations, together with the relevant EEC directives referred to in SI 237, are available from OTAR 01-248 5757 ext. 466/467/288.

Italy

Modifications to excise taxes on certain petroleum products. The *Gazzetta Ufficiale* 158, 11 June, published decree-law 287, 10 June, modifying the rates of excise taxes on certain petroleum products, as from 11 June.

The decree-law increases the rate of tax on lubricating oils, other than white, and also increases the rate on many types of oils which are subject to special reduced rates when used for particular purposes.

Copies of decree-law 287 are available in Italian. Alternatively, an English copy of the legislation relating to excise taxes on petroleum products, updated to take account of decree-law 287, is available. Inquirers should state which version they require.

Inquiries: OTAR 01-248 5757 ext. 466/467/288.

Modification to VAT on import and trade in milk. The *Gazzetta Ufficiale*, 165, 18 June, published decree-law 312, 17 June 1977, which increased the rate of VAT from 6 to 14 per cent on the trade and import of milk not destined for direct food consumption, with effect from 19 June 1977.

Copies of the decree-law, in Italian, are available from OTAR 01-248 5757 ext. 466/467/288.

Luxembourg

Foodstuffs regulations. The Luxembourg *Memorial* A27, 26 May, published a decree dated 17 May amending the decree dated 17 March 1975 concerning powders and other compounds for use in puddings and similar products. The decree enters into force three months after publication.

Copies of this decree (in French) are available from OTAR 01-248 5757 ext. 288/466/467.

New Zealand

Budget 1977. On 21 July Mr Muldoon, the New Zealand Prime Minister and Minister of Finance presented his 1977 budget.

The main features likely to be of most concern to UK exporters were as follows:

Road transport industry

The government will extend from October 1977 the limit on road transport operations from 40 miles to 150 km. This means that two major transport corridors (Auckland/Hamilton and Wellington/Palmerston North) will be opened up to road haulage. The government also proposes to introduce a new distance charge for all heavy road motor vehicles which will increase in relation to the laden axle weight of the vehicle. This charge will be levied on all heavy vehicles, including trailer units which are not at present subject to road taxation. It is not however government's intention to increase the tax burden on the road transport industry as a whole and accordingly other taxes on heavy vehicles such as petrol and mileage taxes, heavy traffic fees and sales tax will be either abolished or phased down.

Public urban transport

Substantial reforms are to be introduced in the urban transport field and include:

1 A programme designed to replace buses over 15 years old in the four main centres. (A programme estimated to cost $NZ 50 million over 5 years).

2 A replacement programme in respect of suburban passenger rolling

stock (railway carriages) to be introduced. Cost of first stage of this programme estimated to cost $NZ 44 million.

Fisheries
Future policies in regard to New Zealand's 200-mile economic zone include:
1 Duty-free importation of approved fishing vessels to be extended from 31 December to 31 March 1979.
2 A new special lending scheme to be introduced to provide for loans of up to 80 per cent of the cost of a vessel.
3 A development grant to be established to promote research into new fisheries and alternative processing techniques.

Meat industry
The government will provide assistance by way of grants to meet the urgent need to up-grade buildings, plant and machinery in freezing works. (Total cost of this up-grading could ultimately be as much as $NZ 300 million).

Motor vehicle industry
Changes have been made in the application of sales tax both to alleviate existing anomolies and to ensure a rational system applies under the re-structured road taxation scheme. Some of these changes are:
1 Extension of sales tax to cover *all* motor vehicle parts and accessories at a rate of 20 per cent (at present about 80 per cent of all parts and accessories are taxed at this rate).
2 Heavy commercial trailers will become taxable at rate of 10 per cent on sale. The above changes take effect from 21 July.
3 Changes which will take effect at later dates:
a Reduction of sales tax on vehicles other than motor cars and motor cycles from 40 per cent to 30 per cent with effect from 1 April 1978.
b The withdrawal of the exemption on the building and fitting of bodies to commercial vehicles from 1 April 1980 at which time it will attract the same rate as the respective vehicles.

Export incentives
The budget announces new measures to assist export-orientated industries. Two guiding principles are given:
1 That export incentives should be based on net foreign exchange earnings and
2 That incentives should be applied to a firm's total exports rather than only to increases in its exports.

In addition improved export finance terms (up to 100 per cent guarantee instead of previous 85 per cent) will also be provided via the export guarantee office on transactions with secured payment between 30 days and one year.

Energy policy
Noteworthy attention is also paid in the budget to both energy production and conservation measures. The government intends to undertake a programme of onshore petroleum exploration and will accelerate and broaden its geothermal and coal exploration programmes. Incentives and assistance will also be provided to stimulate local hydro schemes of up to 50 MW capacity. Various incentives are also provided for domestic conservation measures.

Inquiries: CRE 01-215 5321. Ref: CRE 173/77

Nigeria

Nigerian Enterprises Promotion Decree 1977. The chairman of the Nigerian Enterprise Promotion Board has said informally that the board intends that professional practices should be included in section 39 (other non-public sector enterprises) of schedule 3 of the indigenisation decree.

In the absence of equity shareholdings, the requirement will be for partnerships to disburse 40 per cent of the proceeds of partnership agreements (ie profits after deduction of salaries and expenses) to indigenous interests.

Inquiries: CRE 01-215 3064/3338.

CRE tel. Direct dialling **OTAR** telephone 01-248 5757
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Portugal

Export deposit exemption. Portuguese *Diaro da Republica* 130, 4 June, published normative dispatch 140 which grants exemption from the import deposit scheme for woven-pile fabrics (CCCN 58.04) imported by firms manufacturing ready-made garments, or metal frames for windows or doors requiring insulation of any kind.

Inquiries: OTAR 01-248 5757 ext. 458/461.

Import quotas. *Trade and Industry*, 25 March, published details of temporary quotas on certain goods imported into Portugal during 1977.

The *Diario da Republica* 139, 18 June, published Portaria 365-A/77 which now permits imports apart from the quotas, under conditions to be established by Ministerial order, either up to the value of local content incorporated in Portuguese manufactured goods destined for export, or to the value of Portuguese goods used by the foreign manufacturer in the products required for import and which are destined for the industrial use of Portuguese manufacturers.

Inquiries: OTAR 01-248 5757 ext. 458/461.

St. Lucia

Tyres and accumulators: import licensing. The St Lucia authorities have announced that licences are now required for the importation of second-grade tyres (tariff no. 40.11) and electric accumulators (tariff no. 85.04).

Inquiries: OTAR 01-248 5757 ext. 7312/456/457.

South Africa

Royalties. Reports indicate that the South African Board of Trade and Industries is taking a strict line on applications concerning royalty payments for products manufactured under licence.

Further details, including a revised note on the subject, can be obtained on application to CRE 01-215 5274/5276.

Tariff application. Customs tariff application list 18/77, published in the South African *Government Gazette*, 29 July, contains an application to the Board of Trade and Industries for increase in duty on:

1a Yarn of man-made fibres (continuous), doubled, bleached or dyed exceeding 135 dtex but not exceeding 350 dtex with a tenacity exceeding 5.3 cn/dtex but not exceeding 7.5 cn/dtex classifiable under tariff subheading 51.01.90
b Prepared sewing yarn of man-made fibres (continuous) classifiable under tariff subheading 51.01.20
c Cotton yarn, put up for retail sale, classifiable under tariff subheading 55.06.90

2 Transfers (decalomanias) classifiable under tariff heading 49.08

Those British trade organisations thought to be interested in the application are being informed. Any British firm affected which wishes to made representations to the South African Board of Trade and Industries and belongs to a trade organisation should, therefore, first contact its own trade association.

If any firm proposes to make independent representations to the South African authorities and requires further information concerning the application, it should address inquiries to CRE 01-215 5274.

Tariff application. Customs tariff application list 17/77, published in the South African *Government Gazette*, 22 July, contains an application to the Board of Trade and industries for increase in duty on:

Hat forms, hat bodies and hoods of furfelt suitable for men's hats, classifiable under tariff subheading 65.01.10.10

Those British trade organisations thought to be interested in the application are being informed. Any British firm affected which wishes to make representations to the South African Board of Trade and Industries and belongs to a trade organisation should, therefore, first contact its own trade association.

If any firm proposes to make independent representations to the South African authorities and requires further information concerning the application, it should address inquiries to CRE 01-215 5274.

Spain

Opening of global quotas. The Spanish *State Gazette*, 2 February, announced details of the Spanish global quotas for 1977. In the *State Gazettes* of 13, 14 and 15 July the Spanish authorities invited applications from Spanish importers, merchants and industrialists against the following quotas for the second half of 1977.

Quota no.	CCCN	Goods	Value (pesetas)
60	ex 84.06 B 2 b ex 84.06 B 2 c 84.06 B 2 d, 84.06 C 1 ex 84.06 D 2	Non-liberalised marine engines and their parts except parts of their manufacture	259 963 733
61	ex 84.10 F 2 a ex 84.10 F 2 b ex 84.11 D 3	Non-liberalised motor pumps and motor compressors	47 158 954
62	84.41 A 1, ex 84.41 C	Domestic sewing machines and their parts	7 260 000
63	85.15 A 1, 85.15 A 2	Television and radio receivers	35 937 000
64	85.15 B 1, 85.15 B 2 85.15 B 3	Radio transmitters and transmitter receivers	78 529 000
67	87.02 A 1	Motor vehicles for the transport of persons and persons and goods	732 350 000
68	87.02 B 2	Special vehicles for the transport of sands, rocks and minerals	235 794 769
69	ex 87.04, ex 87.05	Chassis and bodies for motor vehicles	24 750 000
70	87.01 A, 87.01 B 2 ex 87.06	Tractors and their parts except parts for their manufacture	560 248 370
Applications for the above quotas must be presented within one month from 13 July.			
71	87.01 C, ex 87.02 A 2 87.02 B 1, 87.02 B 3 87.03, ext 87.06	Commercial motor vehicles and their parts except parts for their manufacture	476 256 000
73	87.14	Other vehicles, not self-propelled and their parts except parts for their manufacture	16 930 808
74	91.09 A, ex 91.10	Watch cases	484 000
77	93.01, 93.02, 93.03 93.04, 93.05, 93.06	Arms	19 965 000
Applications for the above quotas must be presented within one month from 14 July.			
75	92.11 C, 92.11 D 92.11 E	Phonographs, dictaphones and other apparatus for sound recording and reproduction	25 954 500
78	93.07	Ammunition	9 982 500
79	97.01, 97.02, 97.03	Toys	19 965 000
80	97.04, 97.05, 97.08	Equipment and articles for parlour games	15 972 000
81	98.01 A 2 b, 98.01 A 2 d 98.01 B, 98.12 A	Miscellaneous manufactures	2 722 500
Applications for the above quotas that do not apply to goods of EEC origin must be presented within one month from 15 July.			

Inquiries: OTAR 01-248 5757 ext. 461/458/459/460.

Opening of global quotas. The Spanish *State Gazette*, 2 February, announced details of the Spanish global quotas for 1977. In the Spanish *State Gazette*, 20 July, the Spanish authorities invited applications from Spanish importers, merchants and industrialists against the following quotas for the second half of 1977.

Quota no.	CCCN	Goods	Value (pesetas)
9	15.10 C	Industrial fatty alcohols	47 583 250
10	17.02 A 1, 17.02 B 1	Glucose and lactose, chemically free	47 583 250
15	28.02, 28.14 A 28.15 B, 28.41 B 3 ex 28.46 B	Inorganic chemical products	11 365 442
17	ex 29.44 A 1, ex 29.44 D, ex 29.44 E 29.44 F	Organic chemical products	11 495 000
20	32.09 A, ex 32.09 D	Varnishes, dyes, pigments and similar preparations	40 458 829
21	33.06, 34.01 B	Perfumery, toilet, cosmetic preparations	23 958 000
22	35.05	Dextrins and dextrin glues; soluble or roasted starches, starch glues	3 327 500
23	29.03 B 2, 36.01 36.02, 36.03, ext 36.04 36.05 36.06	Power, pyrotechnic articles and matches	15 125 000
24	37.04 A, 37.05 B	Photographic material	3 660 250
25	ex 29.40, 34.02 B 34.03 B, ex 38.07 ex 38.08, 38.19 F 2 ex 38.19 G, 38.19 I ex 38.19 J	Surface active preparations and other chemical products	120 464 753
26	39.01 A	Phenoplasts and furan resins	53 240 000
27	39.01 B	Aminoplasts	35 937 000
28	39. 01 C, ex 39.01 K	Other condensation, polycondensation and polyaddition products	35 369 215
29	39.02 C	Styrene and derivative products (polymerisation)	18 301 250
30	39.02 E	PVC	35 937 000
Applications for the above quotas must be presented within one month from 20 July 1977.			

Inquiries: OTAR 01-248 5757 ext. 461/458/459/460.

Import duty surcharge. The Spanish *State Gazette*, 12 April, published royal decree 612/1977 extending the 20 per cent import duty surcharge for six months from 8 April 1977 (see *Trade and Industry*, 29 April). The *State Gazette* of 27 July, published royal decree 1887/1977 of the Ministry of Commerce cancelling the surcharge with effect from 27 July.

Inquiries: OTAR 01-248 5757 ext. 461/458/459/460.

Gambling equipment. The Spanish *State Gazette*, 18 June, published an order of 1 June of the Ministry of the Interior approving the 'Gaming Catalogue'. The catalogue details the technical layout as well as the minimum legal rules and types of games that can be played in casinos etc.

An English translation of this order is available from OTAR.

The *State Gazette* 27 June 1977, published an order of 25 June approving the provisional operating rules governing the game of bingo. Copies of the Spanish text are available from OTAR.

Inquiries: OTAR 01-248 5757 ext. 461/458/459/460.

Switzerland

July 1977 tariff rates. On 1 July, under the terms of the EEC-Switzerland free trade agreement, duties on most industrial goods imported into Switzerland from the original EEC member states and Irish Republic were further reduced.

Many of these goods will now enter Switzerland free of import duty. UK manufactured goods which qualified for duty-free entry into Switzerland during the first half of 1977 will continue to enter duty free.

The correct documentation must accompany goods for which preferential tariff treatment is claimed.

Inquiries: OTAR 01-248 5757 ext. 458/461.

Thailand

Tariff amendments. The Thai Ministry of Finance has issued notice SAW.KAW 4/2520 which came into force on 7 July and amends certain tariff items as follows:

		Rate of import duty					
		Current rate			New tariff rate		
			Specific			Specific	
Customs tariff item no.	Description	Ad val %	Unit	Per unit (Baht)	Ad val %	Unit	Per unit (Baht)
28.20	Aluminium oxide and hydroxide; including artificial corundum but excluding alumina tri-hydrate	30	—	—	10	—	—
	alumina tri-hydrate	30	—	—	20	—	—
28.30	b Others, excluding calcium chloride, magnesium chloride and zinc chloride	30	—	—	10	—	—
45.04	Agglomerated cork, either in sheet or in board form, and not in other form than mentioned, as imported by the manufacturers for use in industry producing gaskets	25	—	—	10	—	—
64.01	Footware with uppers made of metal for use in industrial plant	60	—	—	10	—	—
64.02	Footware with uppers made of metal for use in industrial plant	60	—	—	10	—	—
68.13	b Asbestos either in sheet or in board form, and not in other form than mentioned, as imported by manufacturers for use in industry producing gaskets; asbestos in fibre form as imported by manufacturers for use in production of clutch or brake linings, including garments, headgear, hand gloves and footwear made of asbestos for use in industrial plant	30	—	—	10	—	—
73.13	Galvanized	—	kg	2.00	—	kg	1.50
85.20	c Parts of a not elsewhere specified	30	—	—	10	—	—

Inquiries: OTAR 01-248 5757 ext. 401/468/469.

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Customs tariff amendments. The Thai government has issued the 'Emergency Decree on Customs Tariff (no. 29) 1977', which came into force on 3 June 1977 and amends certain tariff items as follows:

Heading no.	Classification	Rate of duty: Ad val %	Ad naturam: Unit	Ad naturam: Per unit (Baht)
15.11	a Glycerine or Glycerol	10	kg	2.00
29.23	a Atthambutal and para-amino salicylic acids including their salts, esters and other derivatives used in preparation of anti-tuberculosis drugs		Free	
70.17	Laboratory, hygienic and pharmaceutical glassware, whether or not graduated or calibrated; glass ampoules	20	—	—
73.13	a Tinned	15	kg	1.50
76.13	Gauze, cloth, grill, netting reinforcing fabric and similar materials, of aluminium wire	30	—	—
85.10	Portable electric battery and magneto lamps, other than lamps falling within heading no. 85.09	30	—	—
87.06	a Specially designed for use exclusively with tractors	30	—	—
90.17	Medical, dental, surgical and veterinary instruments and appliances, including electro-medical apparatus and ophthalmic instruments		Free	
90.18	Mechano-therapy appliances; massage apparatus; psychological aptitude-testing apparatus; artificial respiration, ozone therapy, oxygen therapy, aerosol therapy or similar apparatus; breathing appliances including gas masks and similar respirators			
	a Artificial respiration		Free	
	b Others	10	—	—
98.03	Fountain pens, stylograph pens and pencils (including ball point pens and pencils) and other pens, pen-holders, pencil-holders and similar holders, propelling pencils and sliding pencils; parts and fittings thereof, other than those falling within heading no. 98.04 or 98.05	30	—	—

Inquiries: OTAR 01-248 5757 ext. 401/468/469.

Tariff changes on glass and lamps. The Thai government has issued the royal proclamation on Customs Tariff (no. 30) BE 2520 (1977) which came into force on 7 July whereby tariff items CCCN 70-08 and 85-20 are amended to read as follows.

Heading no.	Description	Rate of duty: Ad valorem per cent	Specific duty: Unit	Specific duty: Rate per unit Baht
70.08	Safety glass consisting of toughened or laminated glass, shaped or not	50	—	—
85.20	Electric filament lamps and electric discharge lamps (including infra-red and ultra-violet lamps); arc-lamps; electrically ignited photographic flashbulbs			
	a Voltage exceeding 40 volts			
	1 Not exceeding 100 watts	30	each	1.10
	2 Exceeding 100 watts, but not exceeding 200 watts	30	each	2.75
	3 Exceeding 200 watts	30	each	5.50
	b Fluorescent lamps	50	each	3.00
	c Others, including parts of a and b not elsewhere specified	30	—	—

Inquiries: OTAR 01-248 5757 ext. 401/468/469.

United States

Rhodesian chrome. The US authorities have informed the EEC commission of their intention to publish the following text without delay in the US *Federal Register*. This text supersedes that published in *Trade and Industry* 22 July, page 137.

Importation from the European Communities of ferrochromium and chromium-bearing steel products under the Rhodesian sanctions regulations issuance of special certificates verifying non-Rhodesian origin of chromium-content.

A formal certification agreement has been concluded between the United States and the Commission of the European Communities. Special certificates of origin for imports of ferrochromium and speciality steel mill products from the European community will be issued under this agreement. They will serve to establish that ferrochromium and chromium-bearing steel mill products exported from the member states of the European community to the United States do not contain any chromium of Rhodesian origin.

The Commission of the European Communities and the governments of the member states have full responsibility for administration of the detailed control measures provided for in the certification agreement. The member states will authorise producers within their states of ferrochromium and speciality-steel products to state on the commercial invoice covering products being exported to the United States that the goods have been produced under the agreed Certification procedures. This special certification will be presented to customs at the time of importation. The certificate will state that it is issued pursuant to special certification procedures agreed upon between the Commission of the European Communities and the government of the United States. These special certificates will become available on varying dates between 18 July and 18 September 1977, as each member state is able to put into effect all of the control measures called for by the certification agreement.

In view of this fact, the following procedures will govern imports of ferrochromium and speciality-steel products from the European community:

1 Imports from member states issuing special certificates as of 18 July 1977. Such imports may be made under customary import procedures, provided the goods are accompanied by special certificates as required. An announcement will be published in the *Federal Register* of the availability of the special certificate as soon as the Treasury is informed by the European communities of this fact.

2 Imports from a member state which commences to issue special certificates after 18 July 1977, and before 18 September 1977. Such imports may be made under interim certificates until an announcement is published in the *Federal Register* of the availability of special certificates from that country. However, the entry will not be liquidated until the importer subsequently presents a special certificate for the imported goods under the agreed procedures. Such certificates must be obtained from the producer and filed by the importer with customs on or before 18 September 1977, to complete liquidation. In the event of failure to file the special certificate by 18 September 1977 the goods will be subject to redelivery into customs custody.

3 Imports from member states after 18 September 1977, may only be made when accompanied by special certificates of origin.

Inquiries: Iron and Steel Division 01-211 3841.

Imports of speciality steels under quota. A new quota period has now opened. The following table, derived from statistics made available by the US Customs Service, shows the products which are subject to quotas, the US quotas from the EEC for the 12 months 14 June 1977 to 13 June 1978, and US imports of the products concerned from the EEC during this period, as at 22 July 1977:

Pounds weight

Product	US import quotas for 12 months 14 June 1977 to 13 June 1978	US imports during this period as at 22 July 1977
Sheet and strips of stainless steel (item 923.20)	32 600 000	5 231 302
Plates of stainless steel (item 923.21)	6 000 000	787 406
Bars of stainless steel (item 923.22)	5 200 000	678 757
Wire rods of stainless steel (item 923.23)	15 200 000	Quota filled
Bearing steel (item 923.25)	7 000 000	68 929
Alloy tool steel (item 923.26)	7 000 000	Quota filled

Inquiries: CRE 01-215 5629.

Energy conservation for appliances. The *Federal Register*, 15 July, published rules proposed by the Federal Energy Administration requiring energy efficiency targets for certain types of appliances eg freezers, dishwashers, water heaters, television sets. Written comments (15 copies) should be sent by 22 August to Executive Communications, Room 3317, Federal Energy Administration, Box NU, Washington, DC 20461.

Inquiries: OTAR 01-248 5757 ext. 456/457/7313.

Milk standards. The *Federal Register*, 19 July, published details proposed by the Food and Drug Administration to establish standards for dried milk and condensed and evaporated milk. Comments (four copies) should be sent by 19 September to Food and Drug Administration, Room 4-65, 5600 Fishers Lane, Rockville, MD 20857.

Inquiries: OTAR 01-248 5757 ext. 456/457/7312.

Dietary food labelling. The *Federal Register*, 19 July, published details by the Food and Drug Administration of proposed rules to amend label statements for special dietary foods. Written exceptions (five copies) should be sent by 18 August to Food and Drug Administration, Room 4-65, 5600 Fishers Lane, Rockville, MD 20857.

Inquiries: OTAR 01-248 5757 ext. 456/457/7312.

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Statistics

The economy: selected indicators

Series are seasonally adjusted except where shown otherwise

	Gross domestic product (average estimate)	Consumers' expenditure	Fixed capital expenditure			Changes in stocks				Balance of payments		
				of which			of which					
			Total	Manufacturing industry	Distributive and service industries excl. shipping	Total	Manufacturing industry	Wholesalers	Retailers	Current balance	Visible balance	Invisible balance
	at 1970 prices		at 1970 prices			at 1970 prices				at current prices		
Base of index Series in Stock level at end-1976	1970	£ million	£ million			£ million 18,218	10,404	1,830	1,977	£ million		
1970	100.0	31,644	9,453	2,130	1,799	442	325	68	−14	733	−25	758
1971	101.7	32,505	9,681	1,991	1,930	99	−148	52	22	1,087	280	807
1972	104.3	34,402	9,870	1,739	2,071	39	−145	48	15	131	−702	833
1973	110.2	36,003	10,279	1,872	2,390	1,127	404	102	382	−752	−2,334	1,582
1974	109.9	35,590	10,124	2,024	2,289	602	666	81	−111	−3,380	−5,221	1,841
1975	107.7	35,234	9,991	1,737	1,970	−680	−392	−111	−23	−1,650	−3,195	1,545
1976	108.9	35,290	9,556	1,651	1,901	−2	5	23	1	−1,476	−3,592	2,116
1975 1st qtr.	109.5	8,988	2,534	471	492	−125	18	−31	−38	−541	−947	406
2nd qtr.	107.4	8,833	2,474	444	498	−267	−105	−54	−66	−309	−655	346
3rd qtr.	106.6	8,724	2,540	416	501	−208	−234	−29	38	−579	−967	388
4th qtr.	107.4	8,689	2,443	406	480	−80	−70	4	43	−221	−626	405
1976 1st qtr.	109.1	8,811	2,460	402	452	25	31	24	12	−121	−538	417
2nd qtr.	108.2	8,730	2,394	408	478	−97	−115	−22	−55	−401	−919	518
3rd qtr.	108.3	8,824	2,392	418	484	−22	4	10	22	−543	−1,148	605
4th qtr.	110.0	8,925	2,310	422	486	92	86	11	22	−411	−987	576
1977 1st qtr.	109.1	8,720	2,235	414	478	255	180	52	80	−327	−968	641
2nd qtr.		8,670pe								−7	−667	660
% change last 2 qtrs. on prev. 2 qtrs.	+1.2	−2.0	−5.0	−2.0	−2.0							
on a year earlier	+1.2	−0.9	−7.2	+1.0	—							

	Industrial production		Personal expenditure		Prices and costs (NOT seasonally adjusted)				Labour (UK)			Visible trade (Volume)	
	Total all industries	Total manufacturing industries	Retail sales	Cars: new registrations	Retail prices		Wholesale prices: all manufacturing industry		Basic hourly wage rates of manual workers (all industries and services)	Unemployed excluding school leavers and adult students		Unfilled vacancies for adults	Export	Import
				monthly averages		% increase on a year earlier	basic materials and fuel used	manufactured products: home sales		mid-month count	% of total employees	mid-month count	On a balance of payments basis	
	at 1970 prices		at 1971 prices										at 1970 prices	
Base of index £m in base year Series in	1970	1970	1971 15,895	thousands	Jan. 1974		1970	1970	July 1972	thousands		thousands	1970 7,907	1970 7,932
1971	100.3	99.5	100.0	108.5	153.4†	9.4	104.6	109.0	88.9	775.8	3.4	130.9	106.7	104.2
1972	102.5	102.1	105.8	138.6	164.3†	7.1	109.2	114.8	101.4	854.9	3.7	147.3	107.1	116.7
1973	110.0	110.7	110.7	137.1	179.4†	9.2	144.5	123.2	115.6	611.0	2.6	307.0	122.2	133.8
1974	107.0	109.1	109.9	102 8	108.5	16.0	215.3	152.0	138.7	599.7ø	2.6ø	302.7ø	131.2	136.2
1975	101.8	102.5	107.9	97.2	134.8	24.2	235.4	188.7	179.8	929.0	3.9	150.0ø	125.6	126.4
1976	102.3	103.5	108.1	104.7	157.1	16.5	299.0	219.6	214.5	1,269.8ø	5.4ø	120.4ø	135.9	134.2
1976 1st qtr.	101.9	102.1	107.3	103	149.4	22.5	266.5	206.9	205.5	1,220.3	5.2	116.7	131.5	126.1
2nd qtr.	102.4	103.6	107.6	106	154.9	16.0	292.6	214.4	212.8	1,252.1	5.3	119.4	137.1	134.6
3rd qtr.	101.5	103.6	108.9	97	158.5	13.7	306.8	223.2	218.6	1,305.5	5.5	123.6	134.2	137.9
4th qtr.	103.2	104.5	108.5	113	165.8	15.0	329.9	233.9	220.6	1,316.8ø	5.6ø	..	140.8	138.1
1977 1st qtr.	103.2	105.3	105.0	104	174.1	16.5	341.5	248.0	224.6	1,330.2	5.6	..	140.7	142.4
2nd qtr.			104.1 p	102	181.9	17.4	347.7 p	259.2 p	227.1 p	1,330.4	5.6	159.2	148.8	144.1
1976 May	104.4	106.4	106.8	110	155.2	15.4	292.0	214.8	211.7	1,253.3	5.3	120.0	137.2	134.7
June	100.4	101.2	107.3	91	156.0	13.8	299.6	217.0	216.6	1,261.1	5.3	115.7	138.5	137.1
July	101.4	103.7	108.8	91	156.3	12.9	302.0	219.8	219.0	1,288.9	5.5	118.6	130.4	139.4
Aug.	100.7	102.7	108.9	115	158.5	13.8	304.0	223.4	219.1	1,308.8	5.6	126.2	134.9	133.7
Sept.	102.5	104.5	108.9	86	160.6	14.3	314.4	226.3	219.2	1,318.7	5.6	125.9	137.3	140.4
Oct.	102.9	104.8	108.1	109	163.5	14.7	327.7	230.0	219.5	1,307.9	5.5	124.5	140.8	140.6
Nov.	103.5	104.9	109.2	119	165.8	15.0	331.8	234.6	220.7	..	..	..	138.1	140.1
Dec.	103.3	103.7	108.3	111	168.0	15.1	330.2	237.2	221.5	1,325.7 e	5.6 e	..	143.3	133.6
1977 Jan.	103.4	105.1	106.7	93	172.4	16.6	337.8	244.9	223.8	1,338.2	5.7	..	141.0	153.9
Feb.	103.3	105.6	105.7	118	174.1	16.2	339.5	248.2	224.6	1,331.4	5.6	150.5	138.3	133.8
Mar.	103.0	105.3	103.1	102	175.8	16.7	347.2	250.8	225.2	1,321.1	5.6	157.3	142.9	139.4
Apr.	102.7	104.0	103.4	108	180.3	17.5	349.7	255.4	226.0	1,322.6	5.6	158.5	148.8	138.6
May	104.2 p	105.8 p	104.4	108	181.7	17.1	348.2 p	259.7 p	226.8	1,315.9	5.6	161.2	145.0	142.2
June			104½ p	90	183.6	17.7	345.1 p	262.4 p	228.4 p	1,352.9	5.7	157.8	152.5 p	151.6 p
July										1,393.8 p	5.9	152.7 p		
% change latest 3 months on prev. 3 months	—	+0.2	−0.9	−2.2	+4.5		+1.8	+4.5	+1.1	+2.2			+6	+1
on a year earlier	+0.4	+1.1	−3.3	−3.5	+18.8		+18.8	+20.9	+6.7	+6.8			+8½	+7

p Provisional pe Preliminary estimate † Base of index Jan. 1962 = 100 .. not available ø Average of available months e estimate **Inquiries:** 01-215 3453

Economic indicators of the industrial countries

The tables have been prepared for the convenience of users who do not have access to the sources themselves. International publications (as indicated) have been used, supplemented, where available, by later reports, denoted – e. The form of presentation adopted – indicators by subject – is for convenience only, and it must not be assumed that the indicators in the same table for different countries are strictly comparable. An attempt has been made to indicate major differences of definition, but the coverage and methods of collection vary considerably; this is partly due to different administrative procedures in various countries. Fuller details may be obtained from the sources indicated, and from the national publications of the countries concerned. Exchange rates are those used in the basic data sources. The group of industrial countries is taken as comprising the members of the Organisation for Economic Co-operation and Development (OECD) ie: western Europe, north America, Japan, Australia and New Zealand. Consumer prices apart, New Zealand is excluded from OECD totals in that insufficient information is available.

The five tables in this article are published monthly. A full set of tables with commentary appears quarterly (see 3 June 1977).

Inquiries: 01-215 3442.

Table 1 Industrial production (excluding construction) seasonally adjusted

Indices 1970 = 100

	Belgium	Luxembourg	France	F.R. of Germany	Ireland	Italy	Netherlands	United Kingdom	EEC[1]	Canada	United States	Japan	OECD
Weights in total	1.3	0.1	6.0	13.2	0.2	4.4	1.5	6.4	33.1	3.6	43.3	11.9	
1971	103	98.7	104	101.8	105	99.9	106	100.1	102	105.8	102.0	102.8	101
1972	109	102.8	112	105.7	109	104.4	111	102.4	106	113.1	111.0	110.2	108
1973	116	115.1	119	112.9	119	114.5	119	110.8	115	122.5	120.4	127.4	119
1974	120	119.1	122	111.3	123	119.0	123	107.9	115	126.9	119.9	123.5	119
1975	108	93.0	114	105.0	115	108.5	117	102.6	108	121.0	109.3	110.4	109
1976	119	98.8	124	112.7	127	121.1	125	104.5	115	126.6	120.4	125.4	119
1975 1st quarter	111	101.4	113	105.5	115	110.2	118	106.3	109	121.3	105.0	106.5	108
2nd quarter	107	92.5	113	103.2	114	107.0	115	101.5	106	120.6	106.0	109.8	108
3rd quarter	105	82.6	112	103.0	115	105.9	113	100.6	105	120.1	111.8	112.2	111
4th quarter	110	94.4	117	108.2	117	110.8	121	101.8	110	121.6	114.4	112.9	114
1976 1st quarter	115	97.5	123	111.2	123	116.6	121	103.5	113	125.2	117.8	119.5	117
2nd quarter	121	104.1	123	112.3	125	120.7	123	104.5	115	127.3	120.0	115.0	119
3rd quarter	118	95.9	125	112.3	129	122.7	126	104.1	116	127.0	121.5	127.0	120
4th quarter	122	98.1	124	114.3	131	127.6	127	106.1	117	127.2	122.2	129.3	122
1977 1st quarter	122	100.1	128	116.5		130.4	125	107.3	119	129.6	123.8	130.1	124
2nd quarter											127.5		
1976 January	112	96.4	120	110.8		112.0	120	102.4	111	124.2	116.6	116.5	115
February	114	98.4	120	111.8		118.8	120	104.1	115	125.2	118.1	119.0	117
March	117	97.7	122	110.2		119.0	122	103.4	113	126.3	118.8	122.7	118
April	120	100.9	122	112.3		118.6	124	104.4	114	126.7	119.1	125.9	119
May	119	108.6	122	111.2		124.1	121	106.9	114	128.3	120.2	123.4	119
June	121	102.9	123	113.3		119.5	124	102.2	115	126.7	120.7	125.7	120
July	114	93.5	124	109.3		122.7	124	104.0	113	126.3	121.2	127.3	119
August	121	86.3	124	112.7		118.9	125	103.1	115	127.5	121.8	126.7	120
September	121	107.9	129	115.0		126.4	129	105.2	117	127.1	121.3	127.1	121
October	122	104.8	123	117.3		122.8	126	105.6	117	126.0	121.0	127.3	121
November	119	95.6	128	113.5		128.2	125	106.4	117	127.3	122.3	130.4	121
December	121	93.7	125	112.1		131.7	129	106.2	117	128.4	123.5	130.3	123
1977 January	123	102.5	129	120.0		130.1	128	107.4	120	129.8	122.5	130.7	124
February	120	95.2	127	115.9		130.7	124	107.3	118	129.5	123.6	128.4	123
March	123	102.5	129	116.0		131.0	125	107.1	118	129.7	125.4	131.2	122
April	119	99.4	127	118.9		122.5	128	106.7	118 e	129.3	126.4	132.3	124
May			125	116.8 e		124.0 e	125	108.3			127.8	129.5	124
June											128.7		
% change latest three months													
On previous three months	−0.3	1.8	—	1.1	1.5	−3.8	−0.8	0.4	—	0.8	3.1	0.9	—
On a year earlier	3.1	0.1	4.1	5.4	8.1	4.4	3.0	2.4	3.5	2.7	6.4	5.6	3.9

[1] Excluding Denmark.
Source: 'OECD Main Economic Indicators'.

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Notes to table 3 (next page)

Unemployment data are defined and collected on different bases in different countries. The following notes indicate main variations preventing direct international comparison:

[1] Registered unemployed (excluding school leavers): rate per cent of total employees.
[2] Insured unemployed: rate per cent of total insured population.
[3] Labour force sample survey: rate per cent of total labour force.
[4] Unemployment-insurance beneficiaries: rate per cent of total numbers insured.
[5] Estimated in the absence of one month's figures.
[6] Averaged over component months. Rates per cent relate to the last period for which unemployment figures are given.
[7] Some seasonally adjusted data have been estimated from unadjusted material.
[8] UK per cent changes are calculated with a non-rounded series.
Source: 'OECD Main Economic Indicators' and *Department of Employment Gazette.*
[9] From 1977, new method of calculating unemployment which is not consistent with the other figures.

Table 3 **Unemployment** seasonally adjusted[7]

Numbers thousands

	Belgium[2]	Denmark[4]	France[1]	F.R. of Germany[1]	Ireland[2]	Italy[3 9]	Nether-lands[1]	United Kingdom[1 8]	Canada[2]	United States[3]	Japan[4]
1971	71	30	337	185	42	613	62	776	552	4 993	639
1972	87	30	380	246	48	696	108	885	562	4 840	730
1973	92	20	394	274	44	669	110	611	520	4 305	670
1974	105	45	498	583	48	560	135	600[5]	525	5 076	740
1975	177	103	840	1 074	75	654	195	929	697	7 830	1 000
1976	229	107	933	1 060	84	732	211	1 269[5]	736	7 288	1 080
1975 1st quarter	142	99	708	1 000	68	603	174	738	664	7 476	910
2nd quarter	170	103	829	1 070	74	667	191	847	698	8 087	962
3rd quarter	190	101	915	1 123	78	648	205	1 000	715	7 997	1 025
4th quarter	209	109	916	1 142	80	699	210	1 132	721	7 912	1 124
1976 1st quarter	210	109	907	1 139	82	681	208	1 223	705	7 151	1 067
2nd quarter	229	106	950	1 033	84	693	208	1 246	730	7 014	1 100
3rd quarter	240	104	951	1 035	85	776	221	1 308	752	7 439	1 102
4th quarter	237	115	932	1 014	83	777	206	n.a.	764	7 578	1 051
1977 1st quarter	243	127	973	1 022		1 460	194	1 330	822	7 068	1 027
2nd quarter	263 e		1 095	1 004 e				1 331		6 816	
1975 December	208	117	906	1 153	81		211	1 175	712	7 735	1 105
1976 January	206	114	900	1 186	81		207	1 211	681	7 290	1 092
February	208	110	901	1 328	82		212	1 232	719	7 136	1 066
March	216	105	921	1 181	82		206	1 227	705	7 027	1 043
April	221	101	929	1 071	84		204	1,234	749	7 040	1 080
May	228	99	953	1 013	85		207	1 250	719	6 860	1 108
June	238	99	967	1 016	83		213	1 257	723	7 143	1 112
July	238	105	950	1 036	85		217	1 294	761	7 428	1 117
August	244	103	962	1 091	86		225	1 309	745	7 506	1 120
September	237	105	941	1 028	84		220	1 319	750	7 384	1 068
October	230	113	935	1 022	83		214	1 305	769	7 564	1 093
November	244	111	931	1 009	83		207	n.a.	752	7 651	1 102
December	238	122	930	1 011	83		199	1 326	772	7 519	967
1977 January	239	125	945	1 053	81		196	1 338	780	6 958	997
February	239	132	972	1 020	81		193	1 331	829	7 183	1 030
March	250	125	1 003	992	83		192	1 321	856	7 064	1 053
April	254	132	1 039	1 015			192	1 323	870	6 737	1 004
May	264	146 e	1 097	1 007			198 e	1 316	847	6 750	1 129 e
June	270 e		1 150	1 028 e				1 353		6 962	
July								1 394			
Rate % in latest month	10.1 e	7.1 e	6.4	4.5 e	12.7	6.8	5.1 e	5.9	8.0	7.1	2.1 e
% change latest three months											
On previous three months	8.2	6.3	12.5	−0.5	−1.6		−1.1	−2.2	8.1	−3.6	6.4
On a year earlier	14.7	32.1	15.3	−1.6	—		−5.7	6.9	18.4	−2.8	−1.4

See notes to table 3 on previous page.

Table 5 **Consumer prices** All goods and services

Indices 1970 = 100

	Belgium	Luxem-bourg	Denmark	France	F.R. of Germany	Ireland	Italy	Nether-lands	United Kingdom	EEC	Canada	United States	Japan	OECD
1971	104.3	104.7	106	105.3	105.3	108.9	104.8	107.5	109.4	106	102.9	104.3	106.1	105
1972	110.0	110.1	113	111.7	111.1	118.4	110.8	115.9	117.2	113	107.8	107.7	110.9	110
1973	117.7	116.8	123	119.9	118.8	131.8	122.4	125.2	128.0	122	116.0	114.4	124.5	119
1974	132.6	128.0	142	136.3	127.1	154.2	146.2	137.3	148.4	138	128.6	127.0	154.2	134
1975	149.6	141.7	156	152.2	134.7	186.4	171.3	151.3	184.4	157	142.5	138.6	172.4	150
1976	163.2	155.6	170	166.8	140.8	219.9	199.6	164.6	214.9	175	153.2	146.6	188.4	163
1975 1st quarter	143.9	136.3	152	147.0	132.0	177.7	164.9	145.8	166.9	150	137.1	135.0	166.4	144
2nd quarter	147.7	140.1	156	150.6	134.5	188.5	169.3	149.9	182.7	156	140.1	137.1	172.1	148
3rd quarter	151.1	143.1	158	153.9	135.5	187.1	172.9	152.9	190.8	160	144.9	140.1	173.6	151
4th quarter	155.5	147.3	157	157.3	136.7	192.2	178.1	156.3	197.3	163	147.9	142.3	177.7	155
1st quarter	158.7	151.1	162	161.1	139.0	206.3	184.8	159.0	204.4	168	149.8	143.7	181.4	158
2nd quarter	161.8	154.5	168	164.8	141.1	219.1	196.5	164.3	211.9	173	152.1	145.5	187.7	161
3rd quarter	164.9	156.9	171	168.6	141.2	222.4	201.7	165.4	216.8	176	154.3	147.8	189.8	164
4th quarter	167.6	159.7	178	172.9	141.9	231.8	215.5	169.6	226.8	182	156.6	149.4	194.5	168
1977 1st quarter	170.9	163.4	180	175.6	144.6	240.6	225.2	170.8	238.2	188	159.9	152.1	198.8	172
2nd quarter	173.7	165.9			146.5	249.7	233.8	175.8	248.8		163.7	155.3		
1976 January	158.0	150.5	159	159.9	138.2		181.1	157.5	202.3	166	149.3	143.3	180.4	157
February	158.5	151.3	160	161.0	139.2	206.3	185.1	159.0	204.9	168	149.8	143.7	181.6	158
March	159.5	151.6	167	162.4	139.7		188.8	160.5	206.0	170	150.4	144.0	182.3	159
April	161.0	153.8	167	163.8	140.6		193.8	163.9	210.0	172	151.0	144.6	187.2	160
May	162.2	154.7	169	164.9	141.1	219.1	197.7	164.5	212.3	174	152.3	145.5	187.7	161
June	162.4	154.9	169	165.6	141.5		198.6	164.5	213.4	174	153.0	146.3	188.1	162
July	163.7	156.1	169	167.2	140.9		199.6	163.7	213.8	175	153.6	147.1	189.1	163
August	164.4	157.3	170	168.4	141.4	222.4	201.8	165.4	216.8	176	154.3	147.8	187.6	164
September	166.5	157.5	174	170.2	141.4		205.2	167.2	219.7	178	155.0	148.4	192.6	165
October	166.9	158.7	176	171.8	141.5		211.1	169.5	223.7	181	156.1	149.0	193.8	167
November	167.5	159.7	178	173.2	141.8	231.8	215.7	169.7	226.8	182	156.6	149.4	193.8	167
December	168.4	160.8	179	173.8	142.5		218.6	169.7	229.8	184	157.1	149.9	195.8	169
1977 January	170.1	162.4	179	174.3	143.8		221.4	169.5	235.9	186	158.4	150.7	197.7	170
February	171.4	163.5	179	175.5	144.7	240.7	225.7	170.8	238.2	188	159.9	152.3	198.8	172
March	171.3	164.2	181	177.1	145.2		228.5	172.2	240.5	190	161.5	153.2	200.0	173
April	172.2	165.2	183	179.4	145.9		231.3	175.1	246.7	192	162.4	154.4	203.3	175
May	173.9	165.8	186	181.0	146.5	249.7	234.2	176.0	248.6	194 e	163.8	155.3	205.1	176 e
June	175.0	166.6			147.2		236.3	176.3	251.1		164.8	156.2		
% change latest month on same month a year earlier	7.8	7.6	10.1	9.8	4.0	14.0	19.0	7.2	17.7	11.5	7.7	6.8	9.3	9.3
latest three months on previous three months	1.6	1.5	2.4	2.7	1.4	3.8	3.9	2.9	4.5	3.2	2.3	2.1	2.7	2.5
on previous three months a year earlier	7.3	7.4	9.3	9.4	3.9	14.0	18.9	7.0	17.4	11.6	7.6	6.8	9.2	9.2

Source: 'OECD Main Economic Indicators'

Table 8 Exports (fob) Special trade[1], seasonally adjusted

US $ million

	Belgium/ Luxembourg	Denmark[2]	France	F.R. of Germany	Ireland[2]	Italy	Nether-lands	United Kingdom[2]	EEC	Canada	United States[2]	Japan[2]	OECD
1970	11 592	3 288	17 940	34 188	1 032	13 188	11 772	19 356	112 356	16 134	43 224	19 320	220 045
1971	12 081	3 609	20 592	39 009	1 308	15 177	13 953	23 356	128 084	17 676	44 211	23 994	246 037
1972	15 995	4 330	25 739	46 208	1 610	18 535	15 392	24 340	153 152	20 184	49 676	28 591	290 784
1973	22 416	6 120	35 952	67 440	2 124	22 236	23 952	28 862	210 684	25 200	71 316	36 936	398 880
1974	28 260	7 716	45 900	89 160	2 628	30 288	32 436	37 188	275 100	32 784	98 508	55 536	532 932
1975	28 812	8 712	52 212	90 024	3 216	34 824	34 440	43 056	295 992	32 304	107 652	55 752	567 804
1976	32 844	9 108	55 812	102 036	3 312	36 924	38 748	45 683	325 044	38 628	114 996	67 272	630 504
1975 1st quarter	7 731	2 172	13 434	23 481	783	8 685	8 823	11 105	76 542	8 022	27 114	14 781	146 070
2nd quarter	6 981	2 196	13 248	23 025	753	8 571	8 565	10 720	74 367	7 890	25 803	13 734	140 847
3rd quarter	6 540	2 073	12 591	21 279	798	8 646	8 052	10 234	70 488	7 842	27 171	13 344	136 887
4th quarter	7 305	2 243	12 939	22 329	834	8 943	9 009	10 858	74 763	8 220	27 837	14 130	143 982
1976 1st quarter	7 467	2 136	13 395	23 427	735	8 427	8 949	11 223	76 086	9 102	26 190	15 729	147 453
2nd quarter	7 701	2 223	13 893	24 441	820	8 919	8 733	11 220	78 183	9 555	28 668	16 443	153 063
3rd quarter	8 151	2 340	13 881	25 851	832	9 327	9 858	11 307	81 696	9 996	29 649	16 977	160 509
4th quarter	9 207	2 433	14 556	27 768	903	10 089	11 241	11 681	88 104	9 402	29 499	17 685	167 034
1977 1st quarter		2 550	15 282	28 134	957	10 395		12 667		10 359	29 463	19 746	
2nd quarter								13 795					
1975 December	2 324	711	4 414	7 392	246	2 916	3 037	3 562	24 785	2 857	9 376	4 849	48 651
1976 January	2 488	768	4 425	7 747	247	3 062	2 903	3 600	25 456	2 995	8 840	5 037	48 624
February	2 648	683	4 637	7 692	247	2 591	3 017	3 552	25 328	3 210	8 858	5 223	49 290
March	2 495	698	4 478	8 145	228	2 813	3 155	3 686	25 931	2 929	8 920	5 610	50 127
April	2 550	723	4 568	7 981	290	2 775	2 899	3 552	25 551	3 094	9 114	5 299	49 504
May	2 622	780	4 899	8 459	274	3 319	3 009	3 636	27 230	3 095	9 889	5 648	52 484
June	2 594	738	4 488	8 100	249	2 725	2 785	3 634	25 511	3 389	9 689	5 640	51 276
July	2 364	757	4 435	8 040	266	3 131	3 123	3 499	25 800	3 253	9 905	5 576	51 770
August	2 766	785	4 713	8 378	257	3 032	3 381	3 706	27 157	3 432	9 843	5 545	53 289
September	3 021	798	4 733	9 434	308	3 165	3 353	3 841	28 738	3 313	9 902	5 857	55 449
October	3 148	767	4 753	9 024	323	3 387	3 435	3 780	28 710	3 138	9 725	5 988	54 652
November	2 880	827	4 782	9 097	290	3 493	3 846	3 797	29 069	3 021	9 342	5 733	54 696
December	3 179	839	5 021	9 648	291	3 208	3 960	4 108	30 325	3 244	10 433	5 964	57 712
1977 January	3 032	855	5 175	9 285	309	3 517	3 654	4 247	30 167	3 308	9 597	6 696	57 263
February	2 950	816	5 058	9 147	323	3 299	3 643	4 168	29 520	3 378	9 801	6 499	56 548
March		879	5 049	9 702	325	3 578		4 292		3 673	10 066	6 551	
April		847	4 968	9 093	325			4 530		3 432	9 949	6 315 e	
May								4 485			10 395 e		
June								4 779					
% change latest three months:													
On previous three months	1.2	0.8	0.6	−0.3	9.3	3.0	5.9	8.9	4.0	9.5	1.8	5.3	4.1
One year earlier	22.8	20.8	10.2	17.3	27.2	22.8	25.7	27.5	19.1	13.5	8.9	20.0	17.0

[1] For most purposes special trade may be defined as trade excluding re-exports. [2] General trade.

Source: United Kingdom: Department of Trade. All others: 'OECD Series "A" '.

Table 9 Imports (cif) Special trade[1], seasonally adjusted

US $ million

	Belgium/ Luxembourg	Denmark[2]	France	F.R. of Germany	Ireland[2]	Italy	Nether-lands	United Kingdom[2]	EEC	Canada	United States[2]	Japan	OECD
1970	11 352	4 380	19 116	29 808	1 572	14 940	13 392	21 720	116 280	13 308	39 960	18 876	225 649
1971	12 390	4 476	21 261	34 356	1 838	16 026	15 159	23 897	129 403	15 460	45 633	19 716	250 717
1972	14 879	4 986	26 696	39 759	2 113	19 252	17 127	27 831	152 643	18 924	55 819	23 463	297 984
1973	21 936	7 704	37 380	54 492	2 784	27 816	24 360	38 872	215 232	23 304	69 120	38 316	410 820
1974	29 700	9 852	52 824	68 976	3 816	40 968	33 204	54 345	293 568	32 292	100 968	62 112	583 080
1975	30 708	10 332	54 240	74 208	3 804	38 364	35 148	53 608	300 048	33 960	96 936	57 864	587 376
1976	33 352	12 420	64 392	87 780	4 200	43 368	39 348	56 373	343 428	37 956	121 788	64 776	676 308
1975 1st quarter	7 467	2 424	13 902	18 552	981	9 471	9 240	14 229	76 083	8 568	24 813	14 832	150 342
2nd quarter	7 314	2 412	13 176	18 630	924	9 024	8 739	12 956	73 311	8 457	22 683	13 779	143 442
3rd quarter	6 945	2 478	12 879	17 982	903	9 381	8 202	13 175	71 949	8 337	24 030	14 337	142 257
4th quarter	7 614	2 841	14 277	19 128	1 008	10 410	9 039	13 104	77 517	8 556	25 410	14 964	150 357
1976 1st quarter	7 743	2 820	15 015	19 956	1 023	10 035	8 847	13 363	78 684	9 240	27 333	14 973	155 019
2nd quarter	7 986	2 958	15 399	20 775	975	10 578	9 444	13 874	82 146	9 630	29 295	15 300	161 289
3rd quarter	8 286	3 186	16 335	22 431	1 059	10 620	10 002	14 328	86 304	9 612	32 043	17 004	172 884
4th quarter	9 225	3 381	17 628	24 240	1 125	12 057	11 658	14 438	93 894	9 405	32 631	17 427	183 729
1977 1st quarter		3 312	17 568	24 351	1 296	11 832		15 344		9 876	35 439	17 721	
2nd quarter								16 407					
1975 December	2 565	991	4 786	6 562	345	3 676	3 116	4 439	26 478	2 848	8 555	5 221	50 833
1976 January	2 671	888	5 043	6 534	332	3 177	2 959	4 467	26 022	3 110	9 425	5 126	51 913
February	2 523	972	5 125	6 699	356	3 193	2 902	4 552	26 340	3 154	8 820	5 037	51 781
March	2 559	996	4 971	6 811	353	3 429	3 041	4 342	26 408	3 028	9 226	4 884	51 960
April	2 661	993	5 020	7 146	321	3 641	3 282	4 548	27 665	3 238	9 651	4 975	53 540
May	2 822	981	5 479	6 983	338	3 962	3 176	4 620	28 157	3 070	9 192	4 899	53 734
June	2 572	989	4 852	6 680	326	3 280	3 014	4 697	26 449	3 294	9 883	5 120	53 319
July	2 639	919	4 941	7 089	332	3 422	3 238	4 818	27 438	3 199	10 992	5 473	56 017
August	2 757	1 103	5 498	7 778	350	3 643	3 415	4 635	29 174	3 268	10 377	5 699	58 028
September	2 885	1 165	5 896	7 563	376	3 555	3 350	4 869	29 692	3 144	10 673	5 833	58 846
October	3 028	1 070	5 825	7 748	355	3 782	3 645	4 609	30 194	3 066	10 748	5 785	58 974
November	3 088	1 111	6 064	7 763	392	4 532	3 567	4 890	31 515	3 230	10 679	6 054	61 903
December	3 109	1 200	5 740	8 730	378	3 742	4 446	4,878	32 185	3 108	11 204	5 588	62 856
1977 January	3 346	1 099	6 053	8 349	463	3 870	4 075	5 527	32 790	3 257	11 430	6 173	64 144
February	3 070	1 030	5 725	7 818	418	3 995	3 803	4 879	30 745	3 326	11 582	5 677	61 166
March		1 184	5 791	8 153	415	3 968		4 938		3 294	12 427	5 873	
April		998	5 412	7 707	399			5 176		3 472	12 564 e	6 014 e	
May								5 386			11 616 e		
June								5 553					
% change latest three months:													
On previous three months	5.8	−5.8	−5.2	−4.6	−0.1	−1.8	16.7	5.0	4.7	5.2	7.0	−1.4	4.6
One year earlier	22.8	8.5	12.0	14.8	19.6	20.8	37.3	16.2	21.4	7.1	30.4	17.9	21.8

[1] For most purposes special trade may be defined as trade excluding re-exports. [2] General trade. [3] fob.

Source: United Kingdom: Department of Trade. All others: 'OECD Series "A" '.

Imports of finished manufactures classified by end-use

This article gives certain figures of the value of UK imports of finished manufactures classified according to market sector (or end-use), namely, consumer goods, capital goods and other finished manufactured goods. Table 1 gives value figures for the three groups and major components, annually, from 1967 to 1976, and table 2 shows certain volume indices, where possible for the same period.

The analysis is based on the Customs and Excise Overseas Trade Statistics, and incorporates information given in the recently published annual statement of trade for 1975 and 1976.

The classification used in the analysis is described in more detail at the end of the article. It has been developed within the Department of Trade in conjunction with the Treasury with a view to improving the Treasury forecasting model. It differs from the conventional one used, for example, in the monthly balance of payments press notice, which is on a commodity basis. The new classification is an improvement for forecasting as the various components can be related more closely to relevant aspects of domestic activity. For example imports of consumer goods are dependent on consumer spending while imports of capital goods can be related to the component of investment.

Before commenting on the figures in the tables, two important points should be made. First, the classification has been developed specifically for use in the Treasury forecasting model. Largely because of the need to develop series consistent over time, it was not possible to follow the internationally recommended classification by Broad Economic Categories (BEC), but current work on the reclassification of overseas trade statistics onto the new 'Rev 2' basis, and the rebasing of the volume and unit value indices on to 1975 = 100, incorporates provision for compiling figures of finished manufactures according to the BEC. At some future stage it is intended to make information available by BEC instead of the classification discussed here. The main difference between the two classifications is that the BEC definition of both consumer and capital goods is wider than the end-use one used in this article. In spite of this projected change, it is felt that the information currently available is of sufficient interest to warrant publication in an article now. The second point is that apart from the need to maintain the existing classification until one based on BEC can be used, no further major work can be undertaken on the basis of the present classification, although it is proposed to prepare, for publication, an area analysis of imports of finished manufactures, by end-use, for 1976.

Table 1 UK imports of finished manufactures: 10-year backrun

Overseas Trade Statistics basis — £ million cif

	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	Estimated average annual rate of growth[1]
Consumer goods	344	432	459	545	774	1 156	1 768	1 869	2 248	3 142	29%
Motor cars and motor cycles	45	58	58	91	183	343	463	394	572	971	42%
Other consumer goods	299	374	401	453	592	814	1 305	1 475	1 676	2 171	26%
Durable goods (non-electrical)	68	77	74	93	117	170	269	337	406	507	28%
Durable goods (electrical)	31	43	40	61	96	172	333	304	307	368	36%
Non-durable goods	170	215	231	244	323	394	577	711	850	1 140	24%
Works of art	30	38	56	54	56	78	125	124	113	156	19%
Capital goods	524	739	783	776	881	1 066	1 529	1 947	2 468	3 180	21%
Ships	22	34	39	32	41	57	90	87	61	58	13%
Aircraft	67	174	207	92	126	114	159	173	202	250	9%
Aero-engines	43	66	66	60	87	112	161	182	218	281	23%
North sea oil production installations	—	—	—	—	—	—	—	—	272	316	
Other capital goods	392	465	471	592	626	782	1 119	1 505	1 715	2 275	22%
Machinery (non-electrical)	331	390	385	481	491	605	889	1 154	1 310	1 730	21%
Machinery (electrical)	42	53	61	74	85	102	130	202	247	326	25%
Transport equipment	7	9	11	20	31	51	67	104	107	149	44%
Miscellaneous capital goods	12	13	14	18	20	24	33	44	51	70	22%
Other finished manufactures	376	481	592	751	776	908	1 336	1 731	1 947	2 531	23%
Machinery (non-electrical)	135	173	227	309	317	315	464	609	756	908	23%
Machinery (electrical)	122	154	181	225	221	294	454	572	560	777	22%
Transport equipment	30	43	55	62	68	100	133	166	224	306	28%
Miscellaneous finished manufactures	89	112	129	155	170	199	284	386	407	540	21%
Total UK imports of finished manufactures	1 245	1 653	1 835	2 072	2 431	3 129	4 632	5 549	6 663	8 853	24%
Total UK imports	6 440	7 900	8 317	9 040	9 825	11 143	15 852	23 234	24 128	31 155	19%
Percentage of total UK imports	19%	21%	22%	23%	25%	28%	29%	24%	28%	28%	

[1] Because of the erratic movements in some of the series, the estimates of annual average rate of growth used in the article and tables have been derived from regression estimates on the logarithms of annual data over the whole period, rather than as the compound rates of growth from the end years 1967 to 1976.

Ten-year backrun

Total finished manufactures

Over the past 10 years, the value of imports of finished manufactures has risen at an estimated annual rate[1] of 24 per cent, reaching £8,853 million in 1976, more than seven times the £1,245 million recorded in 1967. Over the same period, the volume of such imports is estimated to have risen by 13 per cent per year. As a proportion of total imports, the value of imports of finished manufactures rose fairly steadily from about 20 per cent at the beginning of the period to nearly 30 per cent in 1973. The proportion declined in 1974 as oil increased the figure for total imports, but by 1976 had risen again to close to the 1973 figure. By far the greatest percentage rise in imports of finished manufactures occured in 1973 when they were 48 per cent higher in value than in the previous year, largely reflecting an increased volume of deliveries. In contrast the 33 per cent growth in the value of imports in 1976 was less influenced by the 7 per cent rise in volume.

Percentage of total finished manufactures

	Consumer goods	Capital goods	Other finished manufactures
1967	28	42	30
1968	26	45	29
1969	25	43	32
1970	26	38	36
1971	32	36	32
1972	37	34	29
1973	38	33	29
1974	34	35	31
1975	35	39	26
1976	35	36	29

The pattern of imports of finished manufactures as between consumer goods, capital goods and other finished manufactures has altered substantially over the last 10 years. Until 1972 capital goods were the major component with consumer goods the least important. However in 1972 imports of consumer goods in total rose by 49 per cent, owing much to a sharp increase of 65 per cent in the volume of motor cars and cycles imported. In the latest four years, deliveries of consumer and capital goods have been broadly similar and in 1976 both accounted for about 36 per cent of total imports of finished manufactures in value terms.

Consumer goods

Imports of consumer goods have increased nine-fold over the past 10 years from £344 million to £3,142 million, an annual average increase of 29 per cent. Within this category the value of imports of motor cars and cycles has increased from £45 million to £971 million over this period, with the volume of deliveries rising by an estimated 26 per cent per year. A sharp increase in deliveries in 1976 meant that these items accounted for 31 per cent of total imports of consumer goods, compared with only 13 per cent in 1967. However, the largest percentage increases in imports of motor cars and cycles occurred in 1971 when deliveries doubled in value terms compared with the previous year, mainly the result of a sharp increase of around 80 per cent in the volume of arrivals, and in 1972. The volume of motor cars and cycles

[1] See footnote to table 1.

imported reached a peak in 1973, fell back markedly in 1974 and then picked up again in 1975 and 1976, broadly reflecting the main but generally less pronounced movement in consumers' expenditure on these goods.

The volume of imports of other consumer goods rose strongly in each of the years 1971, 1972 and 1973, fell in both 1974 and 1975 and then increased in 1976. This, too, followed closely the main development of consumers' expenditure on clothing and durable goods (other than cars) and other goods although again the movement in the consumers' expenditure figures was generally less pronounced.

Among other consumer goods, imports of durable goods have risen from about one-third of the total to two-fifths, with electrical goods increasing faster than non-electrical goods, while imports of non-durable goods declined from about three-fifths to one-half of the total of other consumer goods.

Capital goods

Deliveries of capital goods are greatly affected by movements in imports of ships, aircraft, aero-engines and, more recently, North Sea production installations. In total, they have increased six-fold over the past 10 years from £524 million to £3,180 million, an annual rate of 21 per cent. Deliveries of ships (on the overseas trade statistics basis used in the article) have fallen to only 2 per cent of total capital goods in the last two years compared with about 5 per cent before. The share of imports of aircraft has moved erratically, but there has been a general decline over most of the period to 8 per cent of total capital goods in 1976.

Deliveries of aero-engines have remained at around 8 per cent of imports of capital goods throughout this period, and in 1975 and 1976, arrivals of North Sea production installations accounted for approximately 10 per cent of capital goods. Imports of other capital goods have followed a continuous upward trend in value terms over the last 10 years, rising from £392 million to £2,275 million with the volume of deliveries of such items rising substantially in 1972 and reaching a peak in 1974 before falling back in 1975 and then increasing again in 1976.

These movements were much in line with the main trends in domestic investment in plant and machinery. For imports of non-electrical machinery, which is the major component of other capital goods, deliveries have dropped from 84 per cent of this group in 1967 to 76 per cent in 1976, while arrivals of electrical machinery and transport equipment increased to 20 per cent of other capital goods in 1976 compared with 13 per cent 10 years ago.

Other finished manufactures

Since 1967 deliveries of other finished manufactures have risen seven-fold from £376 million to £2,531 million, an average rate of 23 per cent per year in value terms, with volume rising by an estimated 15 per cent per year. The downturn in domestic activity which began in 1974 and continued in 1975 had its impact on the volume of these imports. After strong growth in 1972 and particularly in 1973, there was a smaller increase in 1974 and a fall in 1975 before a recovery in 1976. Among other finished manufactures, deliveries of non-electrical machinery accounted for more than one-third of the group reaching a peak in 1970 and 1971 when imports of such items made some 40 per cent of the group. Imports of electrical machinery have remained consistently at just under one-third of other finished manufactures with deliveries of transport equipment and miscellaneous manufactures accounting for the remainder.

Definition of the components of finished manufactures

Finished manufactures are sections 7 and 8 of the Standard International Trade Classification (SITC) and may be divided into three main groups – consumer goods, capital goods and other finished manufactures.

Consumer goods consist of motor cars and motor cycles, and other consumer goods. The latter is divided into four categories:

non-electrical durable goods (eg domestic appliances, bicycles, furniture, watches, clocks, gramophone records and tapes, sewing machines, photographic apparatus, jewellery and telescopes);

electrical durable goods (eg television and radio sets, domestic refrigerators and washing machines, and sound recording equipment);

non-durable goods (eg clothing, accessories, footwear and toys, printed matter, brooms, candles, matches, lighters, pipes, umbrellas, scents and combs);

works of art.

Capital goods comprise ships, aircraft, aero-engines, North Sea oil production installations and other capital goods. Other capital goods are divided into four categories:

non-electrical machinery (eg agricultural, metal working, textile and leather machinery, water turbines, office machinery, steam engines, boiler house plant, nuclear reactors and machines for special industries);

electrical machinery (eg electrical power machinery, telephone equipment, electrical measuring and calculating apparatus, electrical apparatus for medical purposes, electro magnets, furnaces, welding and cutting apparatus and traffic control equipment;

transport equipment (eg railway vehicles, lorries, trucks, road tractors, buses and trailers);

and miscellaneous capital goods (eg medical instruments and furniture, binoculars and microscopes, gas meters, technical models, hydrometers, thermometers, and non-mechanical instruments for physical or chemical analyses).

Other finished manufactures include all other items in SITC sections 7 and 8. The group is divided into four similar categories:

non-electrical machinery (SITC division 71 less those items already specified in either consumer or capital goods);

electrical machinery (SITC division 72 less those items already specified in either consumer or capital goods);

transport equipment (SITC division 73 less those items already specified in consumer or capital goods);

miscellaneous (all other items).

Inquiries: 01-215 5703.

Table 2 UK imports of finished manufactures: 10-year backrun

Overseas Trade Statistics basis — Index numbers Volume 1970 = 100 — Value £ million cif

	Motor cars and motor cycles		Other consumer goods		Other capital goods[1]		Other finished manufactures		Total finished manufactures		Total imports	
	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume
1967	45	61	299		392		376		1 245	73	6 440	85
1968	58	67	374		465		481		1 653	85	7 900	94
1969	58	64	401		471		592		1 835	92	8 317	95
1970	91	100	453	100	592	100	751	100	2 072	100	9 040	100
1971	183	183	592	129	626	106	776	102	2 431	115	9 825	105
1972	343	302	814	172	782	143	908	117	3 129	146	11 143	116
1973	463	347	1 305	235	1 119	160	1 336	157	4 632	186	15 852	133
1974	394	257	1 475	221	1 505	182	1 731	172	5 549	189	23 234	134
1975	572	293	1 676	213	1 715	163	1 947	161	6 663	183	24 128	124
1976	971	377	2 171	224	2 275	178	2 531	176	8 853	196	31 155	134
Average annual growth-rate 1967-76	42%	26%	26%	16%	22%	12%	23%	15%	24%	13%	19%	5%

[1] Excludes ships, aircraft, aero-engines and North Sea production installations.

The estimates of volume are, of necessity, based on sample coverage of items within each of the broad groupings. Estimates prior to 1970 are generally subject to greater uncertainty than the post-1970 figures. Volume-index numbers for the series for other consumer goods, other capital goods and other finished manufactures for 1967 to 1969 will be made available on request.

Guide to government statistics

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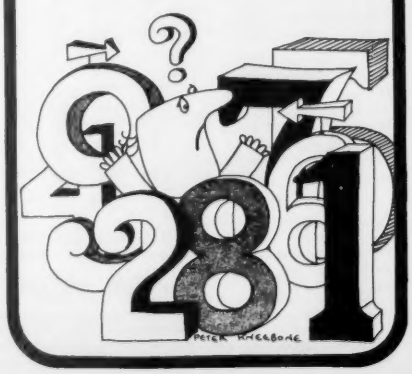

Overseas direct investment recovers in 1976

Main results of the Department of Trade's detailed inquiry into overseas direct investment in 1975 and the earnings on it are summarised in this article. The detailed results, giving figures for each main country and industry, will be published in the Business Monitor series M4, Overseas Transactions 1975, later this year. Copies of this Business Monitor may be obtained by standing order from Her Majesty's Stationery Office; separate or additional copies are obtainable from the Librarian, Business Statistics Office, Cardiff Road, Newport, Gwent NPT 1XG.

Preliminary estimates of direct investment and earnings in 1976 are also given in this article. These estimates, based on quarterly sample inquiries, are likely to be revised in the light of the results of the detailed inquiry for 1976.

Direct investments and earnings are only two of the subjects covered by the department's overseas transactions inquiry. Overseas transactions in respect of film and television material in 1975 were the subject of an article in *Trade and Industry*, of 20 August 1976: articles will appear soon on the credit terms of exports, and overseas royalties transactions.

The inquiry is voluntary, and the department expresses its appreciation for the co-operation of respondent firms.

Summary of results

Table 1 sets out the main aggregates of private direct investment and earnings for the decade up to 1976.

Following a sharp decline of nearly £500 million between 1974 and 1975 outward direct investment is estimated to have increased by some £800 million between 1975 and 1976 to a level 16 per cent above the 1973 peak. The earnings on outward direct investment continued to increase in 1976, rising by nearly £500 million to an estimate of £2,064 million compared with an increase of nearly £100 million between 1974 and 1975. Sterling depreciation, particularly in the first half of 1976, continued to be a major factor in the estimated growth in outward earnings.

Inward direct investment, which also fell between 1974 and 1975, is estimated to have increased by over £200 million between 1975 and 1976. However, the estimated 1976 level was still some 10 per cent below that reached in 1974. Earnings on inward direct investment are estimated to have risen sharply to £1,045 million in 1976 following two years in which the level had settled at about £600 million.

Some of the factors underlying the change in direct investment since 1973 are shown in table 2, which analyses direct investment by its main components. The decline in outward direct investment between 1974 and 1975 is reflected in all main components with the exception of unremitted profits which in 1975 remained at about the 1974 level, and as a result represented a much higher proportion of total outward direct investment compared with the previous two years. Estimates for 1976 show an increase in all main components of outward direct investment.

As in previous years, companies continued in 1975 to borrow funds raised by foreign subsidiaries in the international finance market. It is thought that most of these funds were re-directed by the United Kingdom parent companies to affiliates in other parts of the world. Companies themselves also borrowed substantial funds abroad to finance their direct investments; such borrowings, whether in the form of Euro-dollar borrowing from UK banks or direct borrowing abroad, are not covered in the overseas transactions inquiry. A fuller account of the financing of private investment will be given in the next issue of the *Balance of Payments Pink Book* to be published later this year.

Most of the fall of £300 million in inward direct investment in 1975 was accounted for by a sharp reduction in acquisitions of share and loan capital from the record amounts expended in 1974. Estimates for 1976 suggest that most of the increase in inward direct investment was accounted for by a rise in unremitted profits.

Area and industry analysis for 1975: outward

Table 3 shows how outward direct investment and earnings were distributed between the EEC and non-EEC countries. A decrease of some £30 million in earnings from the EEC was more than offset by an increase of about £120 million from the non-EEC countries. Direct investment in the EEC in 1975 fell by over £200 million, nearly 60 per cent lower than in 1974, compared with a decline of just over 20 per cent in direct investment in the non-EEC countries. Unremitted profits fell by over £30 million in the EEC compared with an increase of about £60 million in the non-EEC countries. Other investment in the EEC fell sharply by £180 million and by over £320 million in non-EEC countries.

Table 4 provides a more detailed geographical analysis of outward direct investment. On a broad area basis the only increase in outward direct investment in 1975 occurred in the rest of the world. For all other areas there was a fall.

Table 5 gives a geographical analysis of the earnings arising from outward direct investment. The major contributors to the overall increase of about £90 million were

Table 1 Net direct investment and earnings £ million

	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976 p
Net annual investment											
Outward[1]											
Unremitted profits	183	190	277	321	322	329	465	840	851	873	1 244
Other investment	93	91	133	228	224	346	272	781	725	221	630
Total	276	281	410	549	546	676	737	1 621	1 575	1 094	1 874
Inward[2]											
Unremitted profits	93	97	176	132	179	182	301	339	243	240	568
Other investment	102	73	98	187	175	263	103	388	594	285	185
Total	195	170	274	319	354	445	404	727	837	525	753
Net earnings											
Outward[1]	429	438	568	650	710	718	911	1 450	1 490	1 583	2 064
Inward[2]	204	216	329	308	360	390	552	698	609	615	1 045

[1] Excluding oil companies. [2] Excluding oil companies and insurance. p Provisional.

Table 2 Components of net direct investment £ million

	1973	1974	1975	1976p
Outward investment				
Unremitted profits	840	851	873	1 244
Net acquisition of share and loan capital	563	380	234	330
Change in branch-head office indebtedness				
Net trade credit extended	2	−23	2	1
Other	31	147	41	141
Total	33	124	43	142
Change in inter-company indebtedness				
Net borrowing from financial subsidiaries	−42	−59	−70	..
Net trade credit extended	70	223	−60	162
Other	157	56	74	−4
Total	185	220	−56	158
Total net investment	1 621	1 575	1 094	1 874
Inward investment				
Unremitted profits	339	243	240	568
Net acquisition of share and loan capital	343	470	221	189
Change in branch-head office indebtedness				
Net trade credit received	−26	−20	−17	−54
Other	21	3	44	26
Total	−5	−17	27	−28
Change in inter-company indebtedness				
Net trade credit received	23	118	60	74
Other	27	23	−23	−50
Total	50	141	37	24
Total net investment	726	837	525	753

p Provisional.

Australia (£40 million) and Nigeria (£39 million): very modest increases were recorded in western Europe and north America.

A broad analysis of investment in certain industry groups is given in table 6. In 1975 investment in all groups fell.

Area and industry analysis for 1975: inward

Table 7 gives an area and major country analysis of inward investment and earnings. Investment from the United States fell by £175 million in 1975 and represented some 43 per cent of the total compared with over 60 per cent in 1972. Large increases in investment came from Australia, South Africa, Belgium and Luxembourg, while there was a large disinvestment by Canada. Investment from the EEC as a whole increased sharply by £42 million.

Earnings of affiliates of United States companies decreased by £23 million between 1974 and 1975 and accounted for only about 60 per cent of the total earnings, a decline from an average 73 per cent in the years 1971 to 1973. Earnings by the EEC companies increased by £34 million while those by Australia doubled, but those for Canada fell sharply from previous years.

Table 8 shows the industrial distribution of inward investment together with the earnings arising. All sectors except food, drink and tobacco showed falls in investment, the largest single fall being £89 million in other manufacturing, with a total drop of £190 million in all the manufacturing industries. Shipbuilding and vehicles continued to record a disinvestment caused by unremitted losses, but this amount was reduced to £24 million compared with £42 million in 1974.

Overall earnings showed an increase of only £6 million. The largest increase was in banking which earned an additional £44 million, followed by other activities with an increase of £32 million. Shipbuilding and vehicles continued to record a large deficit in earnings, while the total manufacturing share of earnings has fallen to just under 50 per cent of the total, compared with just over 70 per cent in the years 1971 to 1973, and just over 60 per cent in 1974.

Scope and coverage of the inquiry

Just over 2000 approaches were made to companies for details of inward and outward direct investment and the earnings on it in 1975, similar to the number approached in the previous inquiry. More than 950 companies were approached in respect of outward investment and about 1050 in respect of inward investment. All sectors of industry were approached with the exceptions of oil companies and foreign owned insurance companies.

Just over two-thirds of the companies approached in the inquiry (representing an even higher proportion of total overseas earnings and investments) responded in full to the inquiry, and returns for a substantial proportion of the remainder could be constructed from accounting and other information. The estimates in the tables include allowances for non-respondents and for those companies not currently approached because of the low level of their overseas investment. Although the estimates are shown to the nearest £1 million, they cannot be regarded as accurate to that degree. In general, the estimates for all countries and for broad geographical areas will be proportionately more accurate than those for individual countries.

As many of the figures required for the detailed geographical and industrial analysis provided in this inquiry become available only after a considerable interval, it is not possible to give similar details for 1976 yet, although some estimates of the main aggregates, based on quarterly reports from a sample of companies, are given in tables 1 and 2.

For the purpose of this inquiry, private direct investment is defined as investment by companies in overseas branches, subsidiaries and associates (collectively described as affiliates). It does not cover portfolio investment, ie other investments in the stocks and shares of companies, or in the bond issue of public authorities.

As well as registered companies, the figures for outward investment and earnings cover certain overseas transactions of a number of public corporations, namely the British Steel Corporation, British Airways, Cable and Wireless and the Gas Council.

Direct investment covers a wide range of transactions, including the establishment of new subsidiaries and branches, the acquisition of a controlling interest in existing overseas concerns, the acquisition of a trade investment (ie the purchase of a non-controlling interest in an existing concern), additions to holdings of share and loan capital of existing subsidiaries and associates, additions to working capital, including increase in trade and other credit extended to affiliates, and the value of goods supplied without payment. It also includes the investing company's share of profits retained by subsidiaries and associates.

The figures of investment shown in this note represent net investment, ie investment less disinvestment, the latter again comprising a variety of transactions including losses by overseas affiliates; repayments of trade and other credits; loans by overseas affiliates; to the parent company. The growth of 'reverse' flows of direct investment, ie transfer of funds to the UK from overseas subsidiary companies which have raised loans in international money markets has affected the figures of net outward in-

Table 3 Net outward direct investment and earnings in the EEC and rest of the world 1969-75

£ million

	1969	1970	1971	1972	1973	1974	1975
Earnings							
EEC[1]	83	101	104	149	276	268	240
Non-EEC countries[2]	567	609	614	762	1 174	1 222	1 343
Total	650	710	718	911	1 450	1 490	1 583
Investment							
EEC[1]							
Unremitted profits	55	47	58	75	144	144	111
Other investment	50	31	205	148	375	220	40
Total	105	78	263	223	519	364	151
Non-EEC countries[2]							
Unremitted profits	266	275	271	390	696	707	768
Other investment	178	193	142	124	406	504	181
Total	444	468	413	514	1 102	1 211	943
Total investment	549	546	676	737	1 621	1 575	1 094

[1] Excluding Denmark and the Irish Republic in the years 1969-72.
[2] Including Denmark and the Irish Republic in the years 1969-72.

Table 4 Net outward direct investment flows 1971-75

£ million

	Average 1971-72	Average 1973-75	1971	1972	1973	1974	1975
Western Europe	295	430	301	289	624	464	201
of which							
EEC[1]	243	345	263	223	519	364	151
EFTA[2]	29	54	5	53	65	72	24
Other[3]	23	31	33	13	40	28	26
North America	159	434	156	161	511	483	308
of which							
USA	117	325	129	105	377	398	201
Other developed countries	177	327	151	202	284	409	288
of which							
Australia	119	170	117	121	179	211	120
South Africa	49	139	23	74	86	178	153
Rest of the world	77	240	68	85	203	220	297
of which							
India	7	17	9	4	10	17	23
Ghana	—	3	−2	2	3	5	2
Nigeria	20	30	18	22	17	28	44
Malaysia and Singapore	16	23	13	19	23	26	21
All areas	707	1 430	676	737	1 621	1 575	1 094
of which net transfers from financial subsidiaries	−58	−57	−61	−55	−42	−59	−70

[1] Excluding Denmark and the Irish Republic in the years 1971-72.
[2] Including Denmark in the years 1971-72.
[3] Includes Cyprus, Gibraltar, Greece, Malta, Spain and Turkey, and the Irish Republic prior to 1973.

Table 5 Overseas direct investment earnings 1971-75

£ million

	Average 1971-72	Average 1973-75	1971	1972	1973	1974	1975
Western Europe	189	337	159	219	365	322	323
of which							
EEC[1]	127	261	104	149	276	268	240
EFTA[2]	31	58	23	38	66	37	70
Other[3]	33	18	32	33	24	17	13
North America	187	307	160	214	299	308	313
of which							
USA	124	190	110	137	193	189	187
Other developed countries	218	428	196	239	428	409	446
of which							
Australia	111	197	94	127	222	164	204
South Africa	87	195	86	88	160	214	211
Rest of the world	221	437	203	239	358	451	501
of which							
India	25	32	24	26	27	36	34
Ghana	6	5	3	9	5	5	6
Nigeria	24	52	18	29	35	41	80
Malaysia and Singapore	36	64	39	32	59	75	57
All areas	815	1 508	718	911	1 450	1 490	1 583

[1] Excluding Denmark and the Irish Republic in the years 1971-72.
[2] Including Denmark in the years 1971-72.
[3] Includes Cyprus, Gibraltar, Greece, Malta, Spain and Turkey, and the Irish Republic prior to 1973.

Table 6 Net outward direct investment in selected industries 1971-75

£ million

Industry group	Average 1971-72	Average 1973-75	1971	1972	1973	1974	1975
Agriculture	11	7	5	17	9	20	−7
Mining	11	87	8	14	89	96	77
Manufacturing	368	759	384	352	835	825	617
Distribution	155	213	139	171	204	241	193
Banking	66	133	49	83	158	163	77
Other, including insurance	95	231	90	100	326	230	137
Total	706	1 430	675	737	1 621	1 575	1 094

Table 7 Area analysis of net inward direct investment and earnings 1971-75

£ million

	Net investment					Net earnings				
	1971	1972	1973	1974	1975	1971	1972	1973	1974	1975
Western Europe	64	91	172	192	163	63	103	115	110	157
EEC	35	38	110	72	114	31	56	61	63	97
of which										
Belgium and Luxembourg	20	3	25	5	25	11	10	10	13	27
Denmark			3	2	8			—	—	15
France	1	17	27	24	37	10	15	16	21	30
German Federal Republic	5	5	17	33	11	4	3	9	7	11
Italy	−11	8	17	6	1	−4	—	−1	2	4
Netherlands	21	6	17	10	−1	14	27	26	18	4
North America	321	249	416	462	201	303	409	535	438	373
Canada	37	−17	30	63	−23	17	12	24	43	1
USA	283	266	387	399	224	286	398	512	395	372
Other developed countries	41	45	17	10	99	14	26	34	40	54
of which										
Australia	6	5	9	9	64	5	7	11	11	22
South Africa	37	27	−12	20	45	6	12	12	14	10
Rest of the world	19	20	121	173	62	10	14	14	22	3
All areas	445	405	727	837	525	390	552	698	609	615

Table 8 Industrial composition of net inward direct investment and earnings 1971-75

£ million

	Net investment					Net earnings				
Industry group	1971	1972	1973	1974	1975	1971	1972	1973	1974	1975
Food, drink, tobacco	44	41	82	71	71	45	63	70	61	69
Chemical and allied industries	67	56	53	83	32	45	59	81	52	21
Metal manufacturing and non-electrical engineering	64	−37	139	188	132	93	110	168	175	136
Electrical engineering	81	54	54	21	9	53	76	90	54	55
Shipbuilding and vehicles	40	34	48	−42	−24	−7	35	44	−38	−35
Other manufacture	44	45	74	147	58	51	52	64	77	56
Total manufacturing	340	227	453	468	278	280	394	518	381	301
Distribution	31	59	112	63	16	36	49	57	49	58
Banking	41	86	95	113	78	56	80	89	130	174
Other activities	33	33	67	194	153	18	29	34	49	81
Total	445	405	726	837	525	390	552	698	609	615

vestment during the past five years, and for some purposes it is desirable to disregard such reserve flows (eg in estimating the flow of resources to the developing world). Where identified 'reverse' flows are thought to affect the interpretation and use of the figures, supplementary details have been given in accompanying tables.

Net investment is a financial concept and should not be confused with the growth of the affiliates' net assets (and still less of its fixed assets), part of which may be financed by shareholders other than the overseas parent or associated company, or from funds raised locally without an additional capital call on the parent or associate.

If a company sold a proportion of its shareholding in a foreign subsidiary to local interests, this would be recorded as disinvestment; and if an affiliate raised local finance to repay short term indebtedness to its parent company, that repayment would be recorded as disinvestment, although in neither case would there be any change in the capital employed, but only a redistribution between local and overseas interests.

Direct investment also includes a number of transactions which do not involve a transfer of cash. For example, if a UK company acquires (or is acquired by) a foreign company by means of an exchange of shares, the direct investment resulting from the transactions will be offset by an equivalent portfolio investment. Although there is no flow of funds from the point of view of private investment as a whole, a direct investment asset or liability is acquired, together with an equivalent portfolio liability or asset.

Notes and definitions

Coverage. The inquiry for 1975 was conducted on a voluntary basis. Response was not complete, but all statistics include an estimate for non-response. For investment, earnings, dividends, and depreciation provisions, the estimates for non-response were derived by using all available information (eg company accounts and reports, returns in previous inquiries, discussions with firms concerned, etc) to construct returns for each significant firm concerned, so that estimates for non-response were made in some detail.

The incidence of non-response varies from country to country so that the detailed figures are subject to a greater margin of error than the totals, and may not be accurate to the last digit shown. Estimates for investment are less accurate than those for earnings.

Government departments and the oil companies were excluded, as was the Commonwealth Development Corporation, which is financed by the government, though its overseas investments include some direct investment in private industry in developing countries.

Revisions. In the light of the results of the inquiry into the book values of overseas direct investments at the end of 1974, published in *Trade and Industry*, 25 February 1977, certain revisions have been made to the direct investment and earnings figures for the years 1972 to 1974. A full explana-

tion of the reasons for these revisions was given in *Trade and Industry*, 25 February 1977.

The estimates for 1975 compiled from quarterly sample inquiries and published in *Trade and Industry*, 25 June 1976, have been revised in the light of full annual returns. Outward investment has been revised downward by £30 million and the outward earnings downward by £26 million. Inward investment has been revised downward by £14 million and the inward earnings upward by £22 million.

Direct investment and earnings. The annual inquiry is taken mainly to provide statistics for balance of payments purposes and the concept of direct investment is that adopted by the International Monetary Fund[1]. The Department of Trade inquiry is limited to direct investment by companies. It follows that holding shares by individuals resident in the United Kingdom in independent companies registered abroad are regarded as portfolio and not as direct investment, even if, as in the case of some companies which have migrated, United Kingdom residents hold a majority of the issued capital.

By 'branch' is meant a 'permanent establishment' as defined for the purpose of United Kingdom tax in Statutory Instruments relating to Income Tax and Double Taxation Relief. Subsidiaries are defined as in section 154 of the Companies Act 1948, and associates as incorporated companies which were not subsidiaries, but in which the investing company had a holding which is regarded as a 'trade investment'.

In respect of branches, the flow of investment is represented by the change in indebtedness of the branch to its parent company excluding the effect of revaluations. In respect of subsidiary and associated companies, it is the sum of the parent company's share of unremitted profits, the cash value of any change in the parent company's holdings of share and loan capital, and the change in the indebtedness of the subsidiary or associated company to the parent company, recorded in inter-company accounts (excluding the effect of revaluations).

Borrowing from the parent company, other than through the issue of share and loan capital is included in the change in the inter-company or branch/head office accounts. Information was not collected about borrowing by overseas branches or subsidiaries from local banks or unrelated concerns, or its repayment. The unremitted profits of subsidiaries and associates are calculated as the sum of profits less dividends remitted, and less losses. Unremitted profits are negative if dividends exceed profits, or if the subsidiary makes a loss.

Earnings. Net outward earnings consist of the profits of overseas branches plus the UK companies' receipts of interest from, and their share of the profits of, their overseas subsidiaries and associates. Net inward earnings consist of the profits of UK branches plus overseas investors' receipts of interest from, and their share of the profits of their UK subsidiaries and associates. Profits are measured after deducting the provisions made in the accounts for the depreciation of fixed assets and after provision for overseas tax on outward earnings and UK taxation on inward earnings.

Classification by industry. Firms were asked at an earlier inquiry to describe the kind of business in which their branches, subsidiaries and associates were engaged, and this information provides the basis for the industrial classification of the data which is based on the 1968 Standard Industrial Classification. The industrial analysis of outward investment relates to the activity of the overseas affiliate, and that of inward investment to the business of the United Kingdom branch, subsidiary or associate.

Valuation. Firms were asked to return values in sterling, as entered in their book of accounts, rounded to the nearest £1,000. Where conversion from an overseas currency was involved, they were asked to use the same rate of exchange as in their own accounts.

Period covered by returns. Firms were asked to make returns in respect of the calendar year 1975 or the nearest accounting year.

In terms of earnings about 70 per cent of the returns on outward investment were for a year ending in December 1975, about 15 per cent were for a year ending before December 1975, notably September 1975, and about 15 per cent were for a year ending after December 1975, notably March 1976.

For inward investment, returns accounting for about three-quarters of earnings were in respect of a year ending in December 1975.

Where quarterly information existed, returns for non-calendar years were adjusted to exclude large transactions occurring outside, and to include large transactions occurring within, the calendar year.

Inquiries: 01-215 3409.

[1] Balance of Payments Manual, third edition, July 1961.

Confidentiality of information collected under the Statistics of Trade Act 1947

by L. S. Berman, director of statistics for the Departments of Industry, Trade and Prices and Consumer Protection

Much of the statistical information collected by the Business Statistics Office and the Economic and Statistics Divisions of the Departments of Industry, Trade and Prices and Consumer Protection is obtained in inquiries carried out under the Statistics of Trade Act 1947. For many years it was the practice of these departments and their predecessors (the Department of Trade and Industry and the Board of Trade) to use for statistical purposes only the information about individual businesses collected by them under the act. Similarly, the provisions of section 9(1)(a) of the 1947 act, which empower a minister to direct that such information be disclosed to another government department, were used only when that department required the information for statistical purposes.

In recent years a number of enactments have provided for the disclosure of a limited range of information about individual businesses obtained under the 1947 act to certain bodies and individuals outside central government. For example, the Employment and Training Act 1973 provides for the disclosure, under ministerial authority, of information consisting of the name and address of any establishment, the numbers of persons of different descriptions employed there, and the nature of the activities carried on there, to authorised officers of local education authorities, local planning authorities and development corporations for certain specific purposes as defined in the act, and of a slightly wider range of information to the Manpower Services Commission and its agencies. The Health and Safety at Work etc, Act 1974 empowers a minister to disclose similar information about individual businesses to the Health and Safety Commission and Executive. And the Scottish and Welsh Development Agency Acts 1975 and the Development of Rural Wales Act 1976 provide for its disclosure to officers of the Scottish and Welsh Development Agencies and the Development Board for Rural Wales, respectively.

In view of these developments, the former restrictions on the use and disclosure of information obtained under the 1947 act, which have been much more severe than required by that act, have been modified. Under the new arrangements, providing a minister so directs, information consisting of the names and addresses of individual businesses, their industrial classification and the number of persons of different descriptions employed by them obtained by the Departments of Industry, Trade and Prices and Consumer Protection may now be made available to ministers and officials of government departments who need it for carrying out their functions. It may not, of course, be published.

All information other than name, address, employment and industrial classification about individual businesses obtained under the Statistics of Trade Act will continue to be used within the Departments of Industry, Trade and Prices and Consumer Protection for statistical purposes only and will be disclosed to other government departments only for statistical purposes. It will not be made available for any administrative purposes.

Survey of company share registers

The Department of Industry has recently conducted a survey of the share registers of United Kingdom companies listed on the Stock Exchange and this article presents a summary of the preliminary results. Revised figures will be published later in *Economic Trends*; the revisions are expected to make very little difference to the overall picture. The primary object of the survey was to estimate how the total market value of the ordinary shares in these companies was distributed, on 31 December 1975, between the main categories of shareholder, such as persons, insurance companies, pension funds, investment trusts, and so on. Surveys of the same kind have previously been made by the Department of Applied Economics at Cambridge University. On 31 December 1975, the shares covered were worth about £45 billion; the survey provides the latest comprehensive information about how the registered and beneficial ownership of this large block of financial assets is distributed.

Summary of results

Table 1 summarises the broad trends in the distribution of share ownership, in terms of the sectors used in the national accounts, as shown by the preliminary results of the department's survey and the two previous surveys carried out by the Department of Applied Economics. The striking feature of the table is the steady fall in the proportion of total market value held by the personal sector, from 56 per cent in 1963 to 40 per cent in 1975, and the steady rise of almost exactly the same amount from 30 per cent to 47 per cent, in the proportion held by the financial companies and institutions sector (here defined to include insurance companies and pension funds). Changes in the proportions held by the other sectors, on the other hand, have been relatively small, those for the public sector being almost entirely accounted for by changes in the size and market value of the British government's holding in British Petroleum Co Ltd.

Table 1 Distribution of shareholdings by sector of beneficial holder, 31 December 1963, 1969 and 1975

Percentage of total market value in issue

Sector of beneficial shareholder	1963[1]	1969[2]	1975[3]
Personal sector	56.1	49.5	40.4
Financial companies and institutions	30.4	35.9	47.3
Non-financial companies	5.1	5.4	3.0
Public sector	1.5	2.6	3.6
Overseas sector	7.0	6.6	5.9
Total	100.0	100.0	100.0

[1] Source: See note 1 to table 2.
[2] Source: See note 2 to table 2.
[3] Department of Industry survey, preliminary results.

Data source

The previous surveys related to 31 July 1957, 31 December 1962 and 1963 (in a combined survey), and 31 December 1969. The 1957 survey was based on the copies of their share registers that companies are obliged to deposit annually at Companies House, but those relate to a variety of dates throughout the year. The later surveys, including the department's present survey, were based mainly on the registers that are maintained by company registrars and which are open to inspection under the companies acts. These provide information about transactions, from which the position on a chosen date may be reconstructed, and many show a running balance for each share account. They therefore provide a basis for obtaining information relating to a single date. For some companies, however, the later surveys were based on other documents, such as dividend lists or copies of the registers, where they provided more convenient sources than the main registers and were for dates close to 31 December.

Registered and beneficial shareholdings

The survey broadly followed the method previously adopted by the Department of Applied Economics, using a two-stage sample, the first of share issues, the second of holdings within each sample issue. It is described in more detail below. This produced results in terms of registered shareholdings, that is a distribution based on the names that appeared in the registers. But substantial numbers of shares are registered in the names of nominee companies and other holders who are not always the beneficial owners of the shares, such as banks and insurance companies. A second and in many ways more useful analysis is that in which the non-beneficial holdings are reallocated to the category of their beneficial owner. The distribution in table 1 is in terms of beneficial ownership. The reallocation of nominee, etc holdings was investigated by the Department of Applied Economics in their 1962/63 survey by means of a sub-sample of holdings by bank nominee companies (which were analysed by the banks) together with a postal inquiry to a sub-sample of personal shareholders, asking about the beneficial ownership of shares registered in their names.

The reallocation was not investigated in the 1969 survey; instead it was done using the proportions obtained in the 1962/63 survey. The lapse of time since the last investigation made it most important that an up-to-date study should be carried out. This investigation was made by means of an analysis of bank nominee company holdings, carried out by the British Bankers' Association and their member banks, coupled with postal inquiries on a strictly confidential basis to small subsamples of personal shareholders (who may be trustees for others) and of other non-bank nominee holders.

Registered shareholdings

The left-hand side of table 2 shows the preliminary results of the survey in terms of registered shareholdings and compares them with equivalent results from the two previous surveys. The category definitions employed in the present survey were broadly the same as in the previous surveys. The distribution by category of registered holder is not fully comparable across the three surveys because for some categories, as described in the notes to the tables, there had already been some reallocation from registered to beneficial holdings at an earlier stage for the 1963 and 1969 surveys. The distributions cannot now be reconstructed on an entirely common basis. These differences are nevertheless small and do not seriously detract from the general quality of the comparison.

The main feature of the comparison is the steady fall in the proportion of total holdings registered to persons, from 51 per cent of the total in 1963 to 41 per cent in 1975, accompanied by a general growth in the proportion registered to financial institutions. The movement between persons and financial institutions is broadly consistent with the change that would be expected on the basis of other information about shareholdings. Other changes were relatively small, though there was a sizeable increase in the holdings of nominee companies between 1969 and 1975.

All three surveys showed a substantial proportion of total holdings registered to nominee companies and reallocation of these holdings is clearly of crucial importance for a reliable assessment of even large changes in the distribution of shareholdings between categories of beneficial holder.

Beneficial shareholdings

The right-hand side of table 2 shows the preliminary results in terms of beneficial ownership, compared with the equivalent results for the two previous surveys. Holdings registered to nominee companies have been reallocated to other categories and are therefore shown as nil in this comparison. Holdings by trust companies and other corporate trustees, such as the Public Trustee, insurance companies' designated holdings, bank designated holdings, and some personal holdings also enter into the reallocation.

Unit trusts now appear among the categories of beneficial holder, as do stock brokers and jobbers. Unit trusts cannot hold shares except through trustees and are therefore shown as having no registered holdings; stock brokers and jobbers were not allowed to operate as incorporated businesses in 1963 and 1969 and could then also hold shares only through trustees; since then they have been allowed to operate as limited companies and hold shares direct, though they had negligible registered holdings in 1975.

These results show a downward trend in the proportion of shares owned beneficially by persons, and an increase in the proportion owned by financial institutions, similar to the results in terms of registered holdings. Persons were estimated to be the beneficial owners of 38 per cent by market value of the ordinary shares in listed United Kingdom companies at the end of 1975, compared with 47 per cent at the end of 1969 and 54 per cent at the end of 1963; this amounts to a fall of about 16 percentage points over the 12 years

spanned by the three surveys, though in 1975 persons were still the largest single category. Insurance company beneficial holdings, on the other hand, are estimated to have risen by about six percentage points, pension fund holdings by about 10 points, and unit trust holdings by about three points over the same period.

Changes in the percentages owned by the other categories have been relatively small. The public sector's holdings are almost entirely accounted for by the British government's holdings of shares in British Petroleum Co Ltd; changes in the percentage of total market value owned by the public sector largely reflect changes in the relative market price of these shares and the increase in the British government's holding of them in January 1975, when the Bank of England purchased the Burmah Oil Co Ltd holding of these shares. (The issue department of the Bank of England, which holds the shares, is classified for statistical purposes as part of central government.)

National accounting category definitions

Results in tables 1 and 2 are based on the category definitions that were employed in the two previous surveys, so as to provide a direct comparison between the present survey and the earlier surveys. These definitions differ slightly from those used in the national income and financial accounts. For example, property companies and unlisted investment trust companies were included with other financial companies in the earlier surveys whereas the national accounting convention is to include them with non-financial companies.

Table 3 gives preliminary results of the present survey, in terms of both registered and beneficial shareholdings, using national accounting category definitions and without the partial reallocations between categories of registered holders referred to in the notes to table 2. It therefore shows the full extent of the registered-to-beneficial reallocation.

Accuracy

It has to be recognised that the results of the survey for registered holdings, as for the earlier surveys, are estimates based on a sample of shareholdings and that they are therefore subject to sampling error. The estimates for the largest categories, such as persons, insurance companies and pension funds, are probably fairly accurate. Those for the other categories are less accurate and those for the smallest categories must be regarded as only approximate. The reallocation from registered to beneficial holdings increases the degree of approximation for all categories, but probably more for the small categories than for the large ones.

Methodology

The survey was based on a sampling frame provided by Extel Communications Ltd, which gave all the ordinary share issues of United Kingdom companies listed on the Stock Exchange, sub-divided between types of share and between financial and non-financial companies. It was arranged in order of market value in issue as at 1 July 1975. A sample of 304 issues was selected from the 2780 issues in the frame. This sample was stratified by type of share (voting, non-voting or miscellaneous), type of company (financial or non-financial) and market value in issue.

For sample issues with less than 2000 holdings, all the holdings were investigated; for the other sample issues, a second stage sample was selected comprising approximately the 100 largest holdings and at least 1000 of the smaller holdings.

The name, address, and number of shares held on 31 December 1975 were recorded for the non-personal shareholdings in the sample, which were later classified by category of holder as a separate operation. For the personal shareholdings, which could be recognised immediately, it was necessary to record only the category code and number of shares held, except for a small sub-sample of these holders, whose names and addresses were recorded as a basis for a follow-up postal inquiry to assist the registered-to-beneficial reallocation of those holdings. Share registers provide little or no information about the nature of shareholders, beyond their names and addresses, and considerable effort had to be put into coding the non-personal shareholders by category of holder. The holder's name is rarely an adequate guide to the category. Many company names could be recognised and coded easily, of course, but the great majority of non-personal shareholders needed detailed investigation.

The sample was analysed by computer at the Business Statistics Office. The data were converted to market values at 31 December 1975 and grossed up to the total market value at that date stratum by stratum, the information necessary to do this being obtained from an updated version of the sampling frame. The data were initially analysed by

Table 2 Distribution of shareholdings by category of registered and beneficial holder: comparison between surveys for 31 December 1963, 1969 and 1975

Percentage of market value in issue

Category of holder	Distribution by category of registered holder			Distribution by category of beneficial holder		
	1963[1]	1969[2]	1975[3]	1963[1]	1969[2]	1975[3]
Persons	51.0[4]	44.7[5]	41.1[5]	54.0	47.4	38.3
Charities and other non-profit making bodies serving persons	1.8	1.8	1.4	2.1	2.1	2.1
Stock brokers and jobbers	—	—	—	1.4	1.4	0.3
Banks	0.9[5]	1.4[7]	0.8[7]	1.3	1.7	0.7
Insurance companies	9.2	10.6[8]	10.8[8]	10.0	12.2	15.5
Pension funds	2.9	4.9	4.7	6.4	9.0	16.3
Unit trusts	—	—	—	1.3	2.9	4.2
Investment trusts and other financial companies	5.8	5.4	4.9[9]	10.0	8.7	10.3[9]
Non-financial companies	3.5	3.9	2.6[9]	5.1	5.4	3.0[9]
Public sector	1.7	3.8	4.0	1.5	2.6	3.6
Overseas sector	4.0	3.7	3.1	7.0	6.6	5.9
Nominee companies	19.2	19.8	26.6	—	—	—
Total	100.0	100.0	100.0	100.0	100.0	100.0
Total market value (£ million)	27 498	37 850	44 560	27 498	37 850	44 560

[1] Source: R. Stone, J. Revell, J. P. Moyle; *The Owners of Quoted Ordinary Shares – A Survey for 1963* (Chapman and Hall, 1966).
[2] Source: J. P. Moyle; *The Pattern of Ordinary Share Ownership, 1957–1970* (Cambridge University Press, 1971).
[3] Department of Industry survey, preliminary results.
[4] Includes corporate trustee holdings and bank holdings with personally named designations. Excludes a negligible amount of joint personal holdings, which are included against charities and pension funds.
[5] Includes corporate trustee holdings, all designated bank holdings (2.0 per cent in 1975), and designated insurance company holdings (2.5 per cent in 1975).
[6] Excludes bank holdings with personally named designations.
[7] Excludes all designated bank holdings (2.0 per cent in 1975).
[8] Excludes designated insurance company holdings (2.5 per cent in 1975).
[9] Property companies and investment trust companies not replying to the Bank of England's survey of investment trust companies are included in other financial companies so as to provide, as far as possible, a common basis of comparison with the results for 1963 and 1969.

Table 3 Distribution of shareholdings by category of registered and beneficial holder: 31 December 1975 (classified by national accounting category definitions)[1]

Category of holder	Distribution by category of registered holder		Distribution by category of beneficial holder	
	£ million	per cent	£ million	per cent
Persons	14 204	31.9	17 047	38.3
Charities and other non-profit making bodies serving persons	652	1.5	925	2.1
Stock brokers and jobbers	1	—	134	0.3
Banks	1 233	2.8	300	0.7
Insurance companies	5 937	13.3	6 911	15.5
Pension funds	2 101	4.7	7 261	16.3
Investment trust companies	868	1.9	3 033	6.8
Unit trusts	—	—	1 857	4.2
Other financial companies	874	2.0	1 064	2.4
Non-financial companies	1 612	3.6	1 823	4.1
Public sector	1 755	3.9	1 585	3.6
Overseas sector	1 300	2.9	2 620	5.9
Nominee companies	11 549	25.9	—	—
Corporate trustees	2 406	5.4	—	—
Not categorised[2]	68	0.2	—	—
Total	44 560	100.0	44 560	100.0

[1] Department of Industry, preliminary results.
[2] Comprising bearer warrants that were included in some share registers. These were reallocated to categories of beneficial owner in proportion to the beneficial holdings in those categories, after all other registered-to-beneficial reallocations had been completed.

some 80 detailed sub-categories of registered holder, within each stratum, which have been brought together to form the broader groupings presented in this article.

Acknowledgements
The Department of Industry wishes to acknowledge the benefit it has had from being able to follow the earlier surveys by the Department of Applied Economics at Cambridge University, and the assistance it has received from those who carried them out – Professor R. Stone, Professor J. Revell and Mr J. P. Moyle, who carried out the 1962/63 survey, and Mr. J. P. Moyle, who carried out the 1969 survey – and for permission to quote the results of the surveys.

The Department of Industry is also greatly indebted to the company registrars of the sample companies for their co-operation in the survey, which went much beyond the arrangements for inspection that they are required to provide under the Companies Acts, and to the statistical unit of the Committee of London Clearing Bankers and to the British Bankers' Association for the analysis of nominee shareholders provided by them.

Further publications
A more detailed article about the survey giving revised results will be published shortly in *Economic Trends* and it is hoped later to publish a full account in the series *Studies in Official Statistics*.

Inquiries: Departments of Industry, Trade, and Prices and Consumer Protection (Economics and Statistics Division 6A), Room 248, 1 Victoria Street, London SW1H 0ET, tel. 01-215 5538.

Table 1 Insolvencies

England and Wales — Number

	Bankruptcies					Company liquidations					
	Unadjusted				Seasonally adjusted	Unadjusted			Seasonally adjusted		
	Total	Receiving orders	Administration orders	Deeds of arrangement	Total	Total	Compulsory	Creditors' voluntary	Total	Compulsory	Creditors' voluntary
1968	4 298	4 123	27	148		3 165	1 108	2 057			
1969	4 772	4 532	20	220		3 510	1 181	2 329			
1970	5 087	4 878	29	180		3 689	1 269	2 420			
1971	4 793	4 630	13	150		3 506	1 166	2 340			
1972	4 337	4 225	19	93		3 063	1 150	1 913			
1973	3 917	3 805	12	100		2 575	1 080	1 495			
1974	5 718	5 595	13	110		3 720	1 395	2 325			
1975	7 271	7 123	20	128		5 398	2 287	3 111			
1976	7 207	7 089	19	99		5 939	2 511	3 428			
1968											
1st qtr	1 231	1 190		41	1 121	897	307	590	850	287	563
2nd qtr	1 024	985		39	1 040	775	279	496	772	271	501
3rd qtr	932	907		25	1 020	586	148	438	731	270	461
4th qtr	1 111	1 068		43	1 117	907	374	533	812	280	532
1969											
1st qtr	1 231	1 173		58	1 135	872	318	554	824	296	528
2nd qtr	1 095	1 055		40	1 094	871	308	563	864	298	566
3rd qtr	1 215	1 157		58	1 319	798	171	627	957	305	652
4th qtr	1 231	1 167		64	1 224	969	384	585	865	282	583
1970											
1st qtr	1 314	1 273		41	1 236	981	318	663	942	305	637
2nd qtr	1 321	1 280		41	1 308	966	339	627	971	335	636
3rd qtr	1 219	1 174		45	1 324	744	169	575	893	303	590
4th qtr	1 233	1 180		53	1 219	998	443	555	883	326	557
1971											
1st qtr	1 171	1 145		26	1 110	760	310	450	730	297	433
2nd qtr	1 253	1 205		48	1 237	945	285	660	942	275	667
3rd qtr	1 137	1 092		45	1 233	777	172	605	925	308	617
4th qtr	1 232	1 201		31	1 213	1 024	399	625	909	286	623
1972											
1st qtr	1 222	1 197		25	1 166	877	291	586	855	284	571
2nd qtr	1 200	1 175		25	1 187	799	293	506	799	284	515
3rd qtr	866	844		22	945	614	160	454	753	291	462
4th qtr	1 049	1 028		21	1 039	773	406	367	656	291	365
1973											
1st qtr	1 011	982		29	954	710	273	437	700	271	429
2nd qtr	952	919		33	941	653	308	345	655	302	353
3rd qtr	875	858		17	955	463	130	333	579	241	338
4th qtr	1 079	1 058		21	1 067	749	369	380	641	266	375
1974											
1st qtr	1 322	1 296		26	1 230	713	264	449	701	258	443
2nd qtr	1 341	1 314		27	1 329	844	309	535	847	297	550
3rd qtr	1 377	1 355		22	1 500	829	224	605	1 023	415	608
4th qtr	1 678	1 643		35	1 659	1 334	598	736	1 149	425	724
1975											
1st qtr	1 938	1 900		38	1 793	1 238	540	698	1 228	538	690
2nd qtr	1 816	1 783		33	1 814	1 317	593	724	1 328	582	746
3rd qtr	1 719	1 693		26	1 879	1 138	279	859	1 393	532	861
4th qtr	1 798	1 767		31	1 785	1 705	875	830	1 449	635	814
1976											
1st qtr	1 921	1 891		30	1 773	1 554	687	867	1 529	669	860
2nd qtr	1 807	1 785		22	1 813	1 490	653	837	1 491	629	862
3rd qtr	1 592	1 571		21	1 744	1 150	324	826	1 437	610	827
4th qtr	1 887	1 861		26	1 877	1 745	847	898	1 482	603	879
1977											
1st qtr	1 373	1 350		23	1 265	1 542	653	889	1 519	636	883
2nd qtr	1 086	1 061		25	1 091	1 533	602	931	1 541	582	959

Insolvencies in England and Wales: second quarter 1977

Company liquidations rose slightly in the second quarter of 1977 to reach their highest level since at least the beginning of 1960. Receiving orders fell but this may have been a delayed effect of the increased monetary limits and deposits in bankruptcy proceedings, which came into force in December 1976.

Table 1 shows that, on a seasonally adjusted basis, total company liquidations rose to about 1540 in the second quarter of 1977, compared with about 1520 in the previous quarter. Compulsory liquidations fell; the rise was concentrated in creditors' voluntary liquidations, which rose sharply to about 960 compared with about 880 in the previous quarter.

The figures for creditors' voluntary liquidations, and hence for total company liquidations, in the first quarter of 1977 and the fourth quarter of 1976 have been substantially revised since the previous article in this series. Some cases which should have been counted in the first quarter of 1977 had been counted in the quarter before. This has been corrected in the figures shown in table 1.

Before seasonal adjustment, there were 1533 company liquidations in the second quarter of 1977, made up of 602 compulsory liquidations and 931 creditors' voluntary liquidations. The total is about 3 per cent higher than a year earlier, with compulsory liquidations about 8 per cent lower and creditors' voluntary liquidations about 11 per cent higher.

After seasonal adjustment, receiving orders (including administration orders and deeds of arrangement) fell to about 1090 in the second quarter of 1977 compared with about 1265 in the first quarter and about 1880 in the fourth quarter of 1976. The sharp fall in the first quarter of 1977 was probably the result of provisions in the Insolvency Act 1976, which changed some of the monetary limits in bankruptcy proceedings and which came into force on 20 December 1976, and the increase in deposits on bankruptcy petitions, by amendment to the Bankruptcy Rules 1952, which came into force on 17 December 1976 (see the notes at the end of this article). The further fall in the second quarter of 1977 may have resulted from these changes continuing to have an effect.

Before seasonal adjustment, the number of receiving orders (including administration orders and deeds of arrangement) in the quarter was 1086, a fall of about 40 per cent compared with a year earlier.

High court and county court figures

The numbers of receiving and administration orders and of compulsory winding-up orders made in the high court and county courts during the second quarter of 1977 and the four preceding quarters were as follows:

	1976			1977	
	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr
Receiving and administration orders					
High court	467	361	664	493	487
County courts	1 318	1 210	1 197	857	574
Total	1 785	1 571	1 861	1 350	1 061
Compulsory liquidation winding-up orders					
High court	527	190	719	535	485
County courts	126	134	128	118	117
Total	653	324	847	653	602

Receiving and administration orders in the high court have fallen more slowly in the last two quarters than in the county courts. This reflects a back-log of cases in the high court, following a build-up during 1976, combined with a decline in both the high court and the county courts as a result of the increase in monetary limits and in deposits on petitions referred to earlier.

The Insolvency Act 1976 also increased the minimum debt required to support a statutory demand under the Companies Act 1948, but it is not thought that this has had any effect on the number of compulsory company liquidations.

Industrial analysis

Table 2 gives the industrial analysis of receiving orders administered (including administration orders and deeds of arrangement) up to the first quarter of 1977. This table excludes orders that were rescinded before the business of the debtor could be investigated and deeds that were voided; the figures therefore do not agree with those in table 1, which are for all receiving orders, administration orders, and deeds of arrangement that were made. The data vary from quarter to quarter though there is a tendency for certain groups, eg construction, always to form a large proportion of the total. The compilation of the data for the fourth quarter of each year differs from that for the first three quarters. For these reasons it is preferable in this article to compare the analysis for the first quarter of 1977 with the analyses for the first three quarters of 1976. On this basis, there has been a small decrease in the percentage accounted for by self-employed individuals compared with the general level in the first three quarters of 1976. Though there was a small increase in the percentage in non-food retailing, there was a fall in construction and in manufacturing; other changes were fairly small.

Table 3 gives the industrial analysis of company liquidations up to the first quarter of 1977. Compared with the previous quarter and the general level in 1976, the percentage of total company liquidation in non-food retailing rose while the percentage in manufacturing fell. The percentage in other consumer services fell compared with the fourth quarter of 1976 but was still higher than the average for 1976. The percentage in financial and professional services rose in the first quarter of 1977 but was still lower than the general level in 1976. The other changes were all very small.

Small changes in the industrial analyses should not necessarily be regarded as significant, if only because of the difficulty of making precise industrial classification in many cases and the erratic nature of the series.

Notes

An article describing these statistics and giving quarterly figures from the beginning of 1960 to the end of 1974 (with industrial analyses from the beginning of 1969 to the third quarter of 1974) was published in *Economic Trends* for March 1975.

The figures for bankruptcies in table 1 refer to persons, who are dealt with under the Bankruptcy Act 1914 and the Bankruptcy (Amendment) Act 1926 or who make arrangements with their creditors under the Deeds of Arrangement Act 1914. A receiving order is made by the court on the petition of a creditor if it is satisfied that the debtor has committed an act of bankruptcy, as listed in section 1 of the Bankruptcy Act 1914, or on the petition of the debtor himself. The order makes the official receiver, who is an officer of the court, receiver of the debtor's estate and deprives the debtor of the right to deal with it. Administration orders, which are made under section 130 of the Bankruptcy Act 1914, relate to deceased insolvents. Deeds of arrangement relate to arrangements between debtors and creditors that are reached, without recourse to the courts, under the Deeds of Arrangement Act 1914.

Insolvent partnerships are dealt with under the bankruptcy acts and are included in the figures for receiving

Table 2 Industrial analysis of receiving orders administered[1]

England and Wales

	Numbers							Percentages						
			1976				1977			1976				1977
Industry	1975	1976	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	1975	1976	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr
Self-employed														
Agriculture	167	135	36	40	27	32	19	2.4	2.0	2.2	2.8	1.9	1.4	1.7
Manufacturing:														
Food, drink and tobacco	2	—	—	—	—	—	—	—	—	—	—	—	—	—
Chemicals	1	—	—	—	—	—	—	—	—	—	—	—	—	—
Metals and engineering	75	65	13	9	5	38	2	1.1	1.0	0.8	0.6	0.4	1.6	0.2
Textiles and clothing	42	44	11	5	10	18	1	0.6	0.6	0.7	0.3	0.7	0.8	0.1
Timber and furniture	43	31	12	2	9	8	5	0.6	0.5	0.7	0.1	0.6	0.3	0.4
Paper, printing and publishing	23	29	3	5	2	19	2	0.3	0.4	0.2	0.3	0.1	0.8	0.2
Other manufacturing	13	16	3	2	2	9	1	0.2	0.2	0.2	0.1	0.1	0.4	0.1
Total manufacturing	199	185	42	23	28	92	11	2.9	2.7	2.5	1.6	2.0	4.0	1.0
Construction	1 543	1 564	361	360	316	527	227	22.6	23.0	21.7	25.1	22.8	22.8	19.8
Road haulage	458	405	77	83	70	175	47	6.7	6.0	4.6	5.8	5.0	7.6	4.1
Wholesaling:														
Consumer goods	54	77	4	17	9	47	11	0.8	1.1	0.2	1.2	0.6	2.0	1.0
Non-consumer goods	68	60	13	18	4	25	18	1.0	0.9	0.8	1.3	0.3	1.1	1.6
Retailing:														
Food	380	382	84	75	87	136	61	5.6	5.6	5.1	5.2	6.3	5.9	5.3
Non-food	718	764	174	132	147	311	137	10.5	11.2	10.5	9.2	10.6	13.4	12.0
Financial and professional services	306	317	75	58	42	142	52	4.5	4.7	4.5	4.0	3.0	6.1	4.5
Hotels and restaurants	291	358	81	55	91	131	59	4.3	5.3	4.9	3.8	6.6	5.7	5.2
Garages	307	249	54	37	39	119	29	4.5	3.7	3.3	2.6	2.8	5.1	2.5
Other consumer services	216	233	67	44	29	93	37	3.2	3.4	4.0	3.1	2.1	4.0	3.2
Other industries	82	69	14	18	15	22	11	1.2	1.0	0.8	1.3	1.1	1.0	1.0
Total	4 789	4 798	1 082	960	904	1 852	719	70.2	70.6	65.2	66.9	65.2	80.1	62.8
Other individuals														
Employees, no occupation and unemployed	1 512	1 467	472	377	378	240	317	22.2	21.6	28.4	26.3	27.3	10.4	27.7
Directors and promoters of companies	405	430	86	67	77	200	74	5.9	6.3	5.2	4.7	5.6	8.6	6.5
Occupation unknown	115	101	20	32	28	21	34	1.7	1.5	1.2	2.2	2.0	0.9	3.0
Total	2 032	1 998	578	476	483	461	425	29.8	29.4	34.8	33.1	34.8	19.9	37.2
All receiving orders administered	6 821	6 796	1 660	1 436	1 387	2 313	1 144	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1]Receiving orders made during the year, *less* those consolidated or rescinded before the end of the year, together with administration orders and deeds of arrangement on the same basis. The totals for all receiving orders administered are thus not equal to the totals shown in table 1. The construction of the quarterly figures is explained in the notes at the end of the article.

Table 3 Industrial analysis of total compulsory and creditors' voluntary liquidations

England and Wales

	Numbers							Percentages						
			1976				1977			1976				1977
Industry	1975	1976	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	1975	1976	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr
Agriculture	48	25	12	6	5	2	7	0.9	0.4	0.8	0.4	0.4	0.1	0.5
Manufacturing:														
Food, drink and tobacco	62	54	21	9	10	14	7	1.1	0.9	1.4	0.6	0.9	0.8	0.5
Chemicals	53	48	12	11	12	13	5	1.0	0.8	0.8	0.7	1.0	0.7	0.3
Metals and engineering	400	419	116	102	84	117	85	7.4	7.1	7.5	6.8	7.3	6.7	5.5
Textiles and clothing	230	257	65	66	56	70	66	4.3	4.3	4.2	4.4	4.9	4.0	4.3
Timber and furniture	114	121	30	37	22	32	27	2.1	2.0	1.9	2.5	1.9	1.8	1.8
Paper, printing and publishing	207	163	36	52	38	37	29	3.8	2.7	2.3	3.5	3.3	2.1	1.9
Other manufacturing	209	257	52	72	57	76	58	3.9	4.3	3.3	4.8	5.0	4.4	3.8
Total manufacturing	1 275	1 319	332	349	279	359	277	23.6	22.2	21.4	23.4	24.3	20.6	18.0
Construction	956	977	232	258	188	299	256	17.7	16.5	14.9	17.3	16.3	17.1	16.6
Road haulage	304	273	64	68	61	80	55	5.6	4.6	4.1	4.6	5.3	4.6	3.6
Wholesaling:														
Consumer goods	143	191	36	46	37	72	73	2.6	3.2	2.3	3.1	3.2	4.1	4.7
Non-consumer goods	318	237	61	54	51	71	51	5.9	4.0	3.9	3.6	4.4	4.1	3.3
Retailing:														
Food	119	113	35	24	20	34	31	2.2	1.9	2.3	1.6	1.7	1.9	2.0
Non-food	441	626	158	166	112	190	203	8.2	10.5	10.2	11.1	9.7	10.9	13.2
Financial and professional services	908	904	277	255	178	194	209	16.8	15.2	17.8	17.1	15.5	11.1	13.6
Hotels and restaurants	157	161	52	31	36	42	35	2.9	2.7	3.3	2.1	3.1	2.4	2.3
Garages	123	118	22	33	37	26	32	2.3	2.0	1.4	2.2	3.2	1.5	2.1
Other consumer services	184	489	149	78	65	197	143	3.4	8.2	9.6	5.2	5.7	11.3	9.3
Other industries	422	506	124	122	81	179	170	7.8	8.5	8.0	8.2	7.0	10.3	11.0
Total	5 398	5 939	1 554	1 490	1 150	1 745	1 542	100.0	100.0	100.0	100.0	100.0	100.0	100.0

orders in table 1. A single receiving order may be made against a partnership or receiving orders may be made against partners individually, when each is included in table 1. If separate receiving orders are made, they are consolidated before being proceeded with and appear as a single receiving order in table 2.

Receiving orders administered, referred to in table 2, are those receiving orders not consolidated or rescinded before the end of the year. For the first three quarters of the year, the industrial analysis in table 2 is compiled about two months after the end of the quarter, to allow time for the statistics to be collected. Some of these receiving orders may later be rescinded. The analysis for the fourth quarter is obtained by subtracting the figures for the first three quarters from the figures for the full year. The industrial analysis for the full year takes account of revisions to the figures for the first three quarters and these are reflected in the analysis for the fourth quarter. It is therefore not appropriate to compare the industrial analysis for the fourth quarter with the analyses for the earlier quarters of the year.

Insolvent companies are dealt with under the Companies Acts 1948 and 1967 and the figures for company liquidations in table 1 refer to the two types of liquidation that involve insolvency. The figures for compulsory liquidations relate to winding-up orders made by the courts. The figures for creditors' voluntary liquidations, in which the company and its creditors come to terms without court proceedings, relate to notifications of resolutions to wind up. There is a third type, members' voluntary liquidations: these do not involve insolvency and they are not included in the figures in this article.

The Insolvency Act 1976 changed some aspects of the law relating to both bankruptcy and company liquidation. Its provisions include an increase in the minimum debt to support a creditor's petition for bankruptcy from £50 to £200; and under an amendment to the Bankruptcy Rules 1952, the deposits required on bankruptcy petitions were increased from £5 to £50 for debtors' petitions and from £7.50 to £90 for creditors' petitions. These changes have had a substantial effect on the number of bankruptcy petitions, and hence on the number of receiving orders, from the beginning of 1977.

There is considerable seasonal variation between quarters in the insolvency series, mainly because about 25 per cent of all receiving orders and about 80 per cent of all compulsory liquidations are dealt with by the High Court, which has fewer sittings in the third quarter compared with other quarters because of the long vacation. For receiving orders, the seasonal fall in the third quarter is made-up mainly in the following first quarter. Compulsory liquidations are more strongly seasonal, with a large fall in the third quarter followed by a large rise in the fourth. Creditor's voluntary liquidations are not particularly seasonal but seasonally adjusted figures for them are included in table 1.

Questions are often asked about the distribution of insolvencies by size or by region but it would be impracticable or very costly to compile statistics of this sort. There is no satisfactory measure of the size of an insolvency because a business tends to decline over a period and there are the problems of deciding for what time the size should be assessed and what measure should be used, and of obtaining this information retrospectively.

For regional statistics of bankruptcy, figures for receiving orders dealt with in the various courts provide some basis because cases are transferred to the court for the area in which the debtor lives or has his place of business. Annual figures for receiving orders analysed by court are given in the Bankruptcy General Annual Report. Regional statistics of company liquidations cannot be obtained in this way, because of the large proportion of cases dealt with by the high court. There is also the difficulty that, although the address of the company's registered office may be known, the activities of the company are often located elsewhere and often extend over a wide area.

Inquiries: Economics and Statistics Division 6a, Departments of Industry, Trade and Prices and Consumer Protection, Room 248, 1 Victoria Street, London SW1H 0ET (01-215 5538).

Do you use statistics?

The Government Statistical Service (GSS) prepares a wide range of reliable and detailed figures on the United Kingdom. It is usually worth checking to see if what you want is available from them. You can see many government statistical publications at your local public library, buy them from HMSO or refer to the comprehensive collection held at the Statistics and Market Intelligence Library, Export House, 50 Ludgate Hill, London EC4N 7HU (tel. 01-248 5757 ext. 368).

A free pamphlet, *Government Statistics – a brief guide to sources*, gives up-to-date contact points in Departments for further information. You can obtain copies from regional offices of the Department of Industry or by writing to the Central Statistical Office Press and Information Service, Great George Street, London SW1P 3AQ.

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Metal-working machine tools: sales and orders in April

Statistics of manufacturers' sales and orders for metal working machine tools up to and including April 1977 are shown in table 1. These monthly statistics will be published in the Business Monitor PM 332, and full details of the quarterly inquiry will be published in Business Monitor PQ 332.

The monthly estimates up to and including September 1976 have been adjusted to be consistent with the more comprehensive quarterly inquiry recently published, and the latest provisional estimates will be revised when the appropriate information becomes available. Net new orders and orders-on-hand have been adjusted to the same basis of coverage and valuation as sales.

Summary

Provisional statistics for the three months up to April 1977 now available, show that the activity in the machine tools industry has remained steady apart from some seasonal changes in recent months, with current value sales running at a level of 6 per cent higher than a year ago. Net new orders received (net of cancellations) have continued to increase raising order books to the level of February 1976.

In current price terms the intake of new orders both from the home and export sectors has exceeded the overall level of deliveries for the seventh consecutive month, reflecting the upward trend apparent since the beginning of 1977 and the awakening in investment demand at home and abroad.

Recent trends

The latest monthly figures now available show that the value of sales in the three months to April 1977 has fallen by 6 per cent over the preceding three months. This was due, at least in part, to seasonal factors, April being a low month for reported sales each year. Total sales, however, have increased by 6 per cent when compared with the same period a year ago. Deliveries to the home market decreased by 8 per cent over the previous three months but at £60 million they showed a marked increase of 22 per cent over the preceding year. Export sales, however, are still lagging behind; in the three months to April 1977 these deliveries amounted to £36 million, a drop of 3 per cent over the previous three months, although 12 per cent above the same period a year ago.

In spite of the seasonal drop in sales, total new orders received (net of cancellations) for the three months to April, have continued to increase, with a further rise of 5 per cent. When compared with the same period in 1976, total new orders received, at £111 million for the last three months were 53 per cent higher. Whilst part of this growth reflects higher prices at which new orders have been taken, there has also been a significant increase in the volume of new business.

New orders received from the home market continue to show a strong upward trend: there was an increase of 10 per cent over the previous three months and a significant rise of 66 per cent over the same period a year ago, when home new orders were at very low levels. New orders from the export sector have levelled out at £43 million, the same as the preceding three months but 36 per cent higher than the level of a year ago.

With the rate of new orders received continuing far in excess of the level of sales since the beginning of 1977, the total of orders outstanding has continued to rise. At current prices the value of total orders-on-hand at the end of April 1977 was £220 million, an increase of 7 per cent over the preceding three months and 3 per cent over the same period a year ago. Orders-on-hand for the home market have increased by another 7 per cent over the level of three months ago and are 11 per cent higher than last year. Whilst orders outstanding for the overseas market showed a similar increase of 7 per cent over the last three months, they were still 3 per cent lower than a year earlier.

In terms of current activity, home orders-on-hand at the end of April 1977 were equal to about 6 months home deliveries, and export order books could sustain recent export sales for about 9 months. These are consistent with the industry having total orders-on-hand at the end of April 1977 equal to about seven months' work.

Included in table 2 is a specially prepared estimate of the employment in the industry covered by this article, ie the part of MLH 332 concerned primarily with metal-cutting and metal-forming machine tools but excluding welding equipment. The estimate for April 1977 showed that after having gained a further 200 employees in March, employment in the industry has levelled out at 50 100 the same as the previous month.

Inquiries on the published series should be addressed to Department of Industry, Mechanical Engineering Statistics, Room 614 Dean Bradley House, 52 Horseferry Road, London SW1P 2 AG, tel. 01-212 0651.

Table 1 Metal-working machine tools: orders and sales £ million

	Sales			Orders outstanding[1]			New orders		
	Total	Home	Export	Total	Home	Export	Total	Home	Export
1970	218.6	137.3	81.3	159.5	86.8	72.7	213.9	130.8	83.1
1971	207.7	121.7	86.0	106.0	46.0	60.0	154.2	80.9	73.3
1972	184.7	111.6	73.1	113.3	55.7	57.6	192.0	121.3	70.7
1973	213.2	129.1	84.1	216.0	120.4	95.6	315.9	193.8	122.1
1974	254.4	149.9	104.5	312.9	164.1	148.8	347.9	191.9	156.0
1975 r	325.4	186.4	139.0	234.3	122.4	111.9	246.8	144.7	102.1
1976 p	351.3	205.8	145.5	201.6	111.3	90.3	318.6	194.7	123.9
1975 1st qtr r	80.4	47.6	32.8	297.3	154.1	143.2	64.8	37.6	27.2
2rd qtr r	77.9	45.6	32.3	284.5	144.0	140.5	65.1	35.5	29.6
3rd qtr r	80.8	44.9	35.9	252.7	122.9	129.8	49.0	23.8	25.2
4th qtr r	86.3	48.3	38.0	234.3	122.4	111.9	67.9	47.8	20.1
1976 1st qtr r	93.9	50.1	43.8	210.5	104.6	105.9	70.1	32.3	37.8
2nd qtr r	81.6	46.4	35.2	199.7	103.6	96.1	70.8	45.4	25.4
3rd qtr r	78.9	47.7	31.2	203.9	109.9	94.0	83.1	54.0	29.1
4th qtr p	96.9	61.6	35.3	201.6	111.3	90.3	94.6	63.0	31.6
1977 1st qtr p	104.8	65.2	39.6	215.1	111.7	103.4	118.3	65.6	52.7
1976 January r	29.9	17.0	12.9	230.3	112.2	118.1	25.9	6.8	19.1
February r	30.5	15.7	14.8	219.8	108.2	111.6	20.0	11.7	8.3
March r	33.5	17.4	16.1	210.5	104.6	105.9	24.2	13.8	10.4
April r	26.2	15.8	10.4	212.1	103.9	108.2	27.8	15.1	12.7
May r	28.6	14.7	13.9	199.5	100.4	99.1	16.0	11.2	4.8
June r	26.8	15.9	10.9	199.7	103.6	96.1	27.0	19.1	7.9
July r	26.6	15.6	11.0	199.3	105.6	93.7	26.2	17.6	8.6
August r	23.2	14.4	8.8	204.8	108.4	96.4	28.7	17.2	11.5
September r	29.1	17.7	11.4	203.9	109.9	94.0	28.2	19.2	9.0
October p	30.5	18.5	12.0	204.2	112.6	91.6	30.8	21.2	9.6
November p	31.7	21.2	10.5	205.1	114.3	90.8	32.6	22.9	9.7
December p	34.7	21.9	12.8	201.6	111.3	90.3	31.2	18.9	12.3
1977 January p	36.9	22.9	14.0	205.5	108.1	97.4	40.8	19.7	21.1
February p	31.2	18.4	12.8	210.4	111.6	98.8	36.1	21.9	14.2
March p	36.7	23.9	12.8	215.1	111.7	103.4	41.4	24.0	17.4
April p	28.2	17.8	10.4	220.2	115.8	104.4	33.3	21.9	11.4
Three monthly totals:									
Feb to Apr 1977	96.1	60.1	36.0	220.5	115.8	104.4	110.8	67.8	43.0
Nov 1976 to Jan 1977	103.3	66.0	37.3	205.5	108.1	97.4	104.6	61.5	43.1
Feb to Apr 1976	90.2	48.9	41.3	212.1	103.9	108.2	72.0	40.6	31.4
Percentage change latest three months on:									
1 Previous 3 months	−6	−8	−3	+7	+7	+7	+5	+10	+0
2 A year earlier	+6	+22	−12	+3	+11	−3	+53	+66	+36

p Provisional. r Revised.
[1] The values for orders outstanding relate to the ends of the periods shown.
Due to rounding, constituent figures may not sum to their respective totals.

Table 2 Metal-working machine tools: employment

Thousands

1974	1st qtr	52.9	1976	1st qtr p	49.6
	2nd qtr	53.2		2nd qtr p	49.4
	3rd qtr	54.4		3rd qtr p	49.5
	4th qtr	54.4		4th qtr p	49.7
1975	1st qtr	54.0	1977	January p	49.9
	2nd qtr	53.0		February p	49.9
	3rd qtr	52.2		March p	50.1
	4th qtr p	50.6		April p	50.1

Motor vehicle output in June

Production of cars in the five weeks ended 2 July of 109 026 units (21 805 per week) was 16 per cent below the level in June 1976. In the first six months to June 1977, car production was 6 per cent lower than in the same period last year. Production for export fell by 5 per cent and that for the home market fell by 6 per cent.

Production of commercial vehicles in June of 32 645 units (6529 per week) was 10 per cent lower than in June last year. Production in the first half year of 1977 was 7 per cent higher than in the corresponding period of 1976. Production for export rose by 5 per cent while that for the home market rose by 10 per cent.

The summaries which follow are based on the seasonally adjusted figures in table 2.

Cars

June passenger car production of 96 000 units was 14 per cent below the monthly average for 1976. Output in the second quarter rose by 12 per cent compared with the first quarter; within the total, exports stayed about the same while production for the home market rose by 21 per cent.

Commercial vehicles

Production of commercial vehicles of 28 200 units was 9 per cent below the monthly average for 1976. In the period April to June, output fell by 11 per cent compared with the preceding three months. Output for export fell by 17 per cent while that for the home market fell by 5 per cent.

Table 1 Car and commercial vehicle production

Production figures of road motor vehicles cover complete vehicles, chassis with engines for delivery as such an unassembled vehicles for export. Road tractors are included but battery-operated road vehicles are excluded.

	No of weeks	Passenger cars (including taxis)				Commercial road vehicles			
		For home market	For export	Totals	Weekly average	For home market	For export	Totals	Weekly average
1968	52	1 013 163	802 773	1 815 936	34 922	259 331	149 855	409 186	7 869
1969	53	892 758	824 315	1 717 073	32 398	272 999	192 778	465 776	8 788
1970	52	918 109	722 857	1 640 966	31 557	267 407	190 125	457 532	8 799
1971	52	1 027 462	714 478	1 741 940	33 499	268 278	187 928	456 206	8 773
1972	52	1 307 881	613 430	1 921 311	36 948	272 649	135 470	408 119	7 848
1973	52	1 142 216	605 105	1 747 321	33 602	257 574	159 049	416 623	8 012
1974	52	937 932	596 187	1 534 119	29 502	232 373	170 193	402 566	7 742
1975	52	735 532	532 164	1 267 696	24 379	194 319	186 386	380 705	7 321
1976	53	768 481	564 968	1 333 449	25 159	182 554	189 503	372 057	7 020
1977	52								
1976									
1st qtr	13	209 955	148 844	358 799	27 600	44 978	48 785	93 763	7 213
2nd qtr	13	205 839	143 677	349 516	26 886	46 510	51 249	97 759	7 520
3rd qtr	13	145 427	108 233	253 660	19 512	36 730	39 225	75 955	5 843
4th qtr	14	207 260	164 214	371 474	26 534	54 336	50 244	104 580	7 470
1977									
1st qtr	13	181 025	137 426	318 451	24 496	51 614	55 128	106 742	8 211
2nd qtr	13	210 003	139 098	349 101	26 854	49 055	49 435	98 490	7 576
1976									
Jan	4	56 966	39 432	96 398	24 100	12 051	13 971	26 022	6 506
Feb	4	68 878	50 913	119 791	29 948	14 468	15 829	30 297	7 574
Mar	5	84 111	58 499	142 610	28 522	18 459	18 985	37 444	7 489
Apr	4	54 445	38 281	92 726	23 182	13 209	14 019	27 228	6 807
May	4	76 074	51 169	127 243	31 811	16 122	18 245	34 367	8 592
Jun	5	75 320	54 227	129 547	25 909	17 179	18 985	36 164	7 233
Jul	4	56 334	34 350	90 684	22 671	12 389	13 444	25 833	6 458
Aug	4	32 971	31 801	64 772	16 193	8 871	9 219	18 090	4 523
Sep	5	56 122	42 082	98 204	19 641	15 470	16 562	32 032	6 406
Oct	5	82 077	59 240	141 317	28 263	19 947	19 320	39 267	7 853
Nov	4	67 512	52 863	120 375	30 094	17 922	15 706	36 628	8 407
Dec	5	57 671	52 111	109 782	21 956	16 467	15 218	31 685	6 337
1977									
Jan	4	66 199	48 377	114 576	28 644	16 852	16 536	33 388	8 347
Feb	4	49 647	41 778	91 425	22 856	15 302	17 949	32 351	8 088
Mar	5	65 179	47 271	112 450	22 490	19 460	21 543	41 003	8 201
Apr	4	64 592	41 866	106 458	26 615	13 277	14 974	28 251	7 063
May	4	80 218	53 399	133 617	33 404	18 741	18 853	37 594	9 399
Jun	5	65 193	43 833	109 026	21 805	17 037	15 608	32 645	6 529

Note: The number of vehicles produced for export shown in these tables differs from the number exported (which are shown in the overseas trade statistics) because of differences in timing and coverage.

Table 2 Production seasonally adjusted

MONTHLY AVERAGE — Thousands

	Passenger cars			Commercial vehicles		
	For home market	For export	Total	For home market	For export	Total
1968	84	67	151	21.6	12.5	34.1
1969	74	69	143	22.7	16.1	38.8
1970	77	60	137	22.3	15.8	38.1
1971	86	59	145	22.3	15.7	38.0
1972	109	51	160	22.7	11.3	34.0
1973	95	50	145	21.5	13.2	34.7
1974	78	50	128	19.3	14.2	33.5
1975	61	45	106	16.2	15.5	31.7
1976	64	47	111	15.2	15.8	31.0
1976						
1st qtr	67	49	116	14.7	16.9	31.6
2nd qtr	68	46	114	15.2	16.2	31.4
3rd qtr	62	44	106	15.0	15.4	30.4
4th qtr	59	48	107	15.9	14.7	30.6
1977						
1st qtr	57	45	102	16.7	18.8	35.5
2nd qtr	70	45	115	15.9	15.6	31.5
1976						
Jan	58	44	102	13.1	16.8	29.9
Feb	74	53	127	15.4	17.1	32.5
Mar	70	50	120	15.6	16.9	32.5
Apr	65	46	111	14.5	15.9	30.4
May	72	48	120	16.1	16.8	32.9
Jun	66	46	112	15.1	15.8	30.9
Jul	82	49	131	17.1	16.0	33.1
Aug	43	39	82	12.9	14.4	27.3
Sep	62	44	106	15.0	15.7	30.7
Oct	64	47	111	15.5	15.4	30.9
Nov	61	51	112	17.6	16.0	33.6
Dec	51	48	99	14.6	12.8	27.4
1977						
Jan	66	53	119	17.9	19.6	37.5
Feb	53	42	95	16.0	18.0	34.0
Mar	53	40	93	16.1	18.8	34.9
Apr	76	50	126	14.3	16.7	31.0
May	75	49	124	18.3	17.1	35.4
Jun	59	37	96	15.1	13.1	28.2
Average of						
Jan-Mar 1977	57	45	102	16.7	18.8	35.5
Apr-June 1977	70	45	115	15.9	15.6	31.5
Percentage change	+21	N/C	+12	−5	−17	−11

Notes to table 2: The seasonally adjusted series has been adjusted to exclude the effect of regularly recurring influences (eg holidays) but the figures still reflect the effect of factors that do not recur regularly (eg strikes).

Care should be taken not to interpret changes between one month and another as necessarily indicating the underlying trend. The averages in the latest three months and the previous three months give a more reliable guide to recent changes.

Registrations of British, community and foreign films

The following are details of films registered by the Department of Trade under the Films Acts 1960 to 1970, as amended by the European Communities Act 1972, during the week ended Friday, 29 July 1977.

BR/E indicates that the film is a British quota film, EC that the film is a quota film. The date which forms part of the registration number of each is the date on which quota life of the film expires.

Title of film	Registered no.	Playing tim minutes	Date of registration	Registered in the name of	Maker's name
BRITISH					
Review No. 12 (30th Year)	BR/E 39265/31/7/82	10	29 July	Data Film Distributors Ltd	The National Coal Board
Movietone News 2512	BR/E 39179/31/7/82	8	29 July	British Movietonews Ltd	British Movietonews Ltd
COMMUNITY					
The Return of the Tall Blond (Le Retour Du Grand Blond)	EC 39263/31/7/82	79	26 July	Rank Film Distributors Ltd	Productions de la Gueville and Ste Nelle des Ets Gaumont, Paris
FOREIGN					
On the Edge of Reality	F 39264	9	28 July	Brent Walker Film Distributors Ltd	Professional Films, California

Wholesale textile houses: sales and stocks in May

Sales by wholesale textile houses in May showed an increase of 1 per cent on a year earlier, compared with an increase of 7 per cent in March and an increase of 2 per cent in April.

The value of stocks at the end of May showed an increase of 11 per cent compared with the same period last year.

Inquiries

These statistics are prepared by Textile Distributors' Association. Inquiries should be addressed to the Secretary, Textile Distributors' Association, 3 Berners Street, London W1P 4JP (01-580 2902).

Table 1 Textiles: wholesale sales and stocks

Index numbers and *percentage increase compared with a year earlier* 1950 = 100

		Value of home sales		Value of stocks end period	
1966		110	*–3*	..	..
1967		104	*–5*	..	..
1968		108	*4*	..	..
1969		103	*–5*	..	..
1970		107	*4*	..	..
1971		115	*8*	..	..
1972		121	*5*	..	..
1973		134	*11*	..	..
1974		147	*9*	..	..
1975		147	*1*	..	..
1976		146	*–1*	..	..
1974	1st quarter	134	*12*	189	*3*
	2nd quarter	131	*7*	202	*18*
	3rd quarter	148	*13*	194	*12*
	4th quarter	173	*6*	198	*–3*
1975	1st quarter	143	*7*	219	*16*
	2nd quarter	135	*3*	197	*–2*
	3rd quarter	146	*–1*	193	*–1*
	4th quarter	165	*–5*	224	*13*
1976	1st quarter	133	*–8*	234	*7*
	2nd quarter	127	*–6*	212	*8*
	3rd quarter	149	*2*	204	*6*
	4th quarter	176	*8*	228	*2*
1977	1st quarter	140	*5*	252	*7*
1976	May	128	—	217	*2*
	June	119	*–9*	212	*8*
	July	115	*–8*	221	*6*
	August	137	*9*	216	*5*
	September	194	*4*	204	*6*
	October	184	*–4*	208	*6*
	November	169	*–13*	229	*–1*
	December	175	*15*	228	*2*
1977	January	85	*–1*	221	*4*
	February	148	*8*	248	*9*
	March	186	*7*	252	*7*
	April	139	*2*	228	*10*
	May	129	*1*	242	*11*

Table 2 Analysis by department

Percentage increase compared with a year earlier

	Sales		Stocks[1]
	May 1977	Jan-May 1977	May 1977
Women's knitted outerwear, blouses and skirts	–9	8	38
Women's coats, costumes, furs and raincoats	–24	–19	36
Women's underwear	6	14	11
Women's hose and children's socks	22	17	22
Women's millinery	–24	–15	–12
Haberdashery, ribbons and wool	21	20	27
Children's wear	16	12	25
Men's and boys' shirts, pyjamas and outfitting	9	3	–8
Gloves	36	10	27
Piece-goods and nets	–9	–10	5
Household textiles	8	17	31
Floor coverings, furniture and hardware	–1	–1	–
Boots and shoes	–	24	13
Total[2]	1	4	11

[1] Including some items not included among the subheadings.
[2] Values at cost.

British Film Fund Agency returns

The British Film Fund Agency has authorised the publication of the following information for the four weeks ended 25 June 1977.

	£
Distributors' earnings submitted	
Low cost films:	
Eligible (after multiplying by 2½)	122 989
Not eligible for 2½ times rental	23 414
	146 403
High-cost films (including newsreels after multiplying by 2½)	247 677
	394 080
Films under 3 000 ft (after multiplying by 2½)	54 977
	499 057
Levy collections paid to the agency by HM Customs and Excise to 28 June 1977 including an estimate of collections approximately covering entertainments for the four weeks ended 25 June 1977	283 000

The eighth interim allocation for the twentieth year will be at the rate of 45 per cent.

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503	513	523	533	543	553	563	573	583	593	603	613	623	633	643	653	663	673	683	693
504	514	524	534	544	554	564	574	584	594	604	614	624	634	644	654	664	674	684	694
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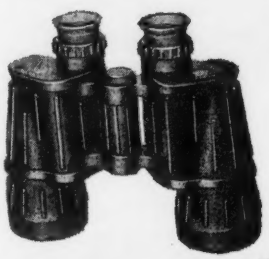

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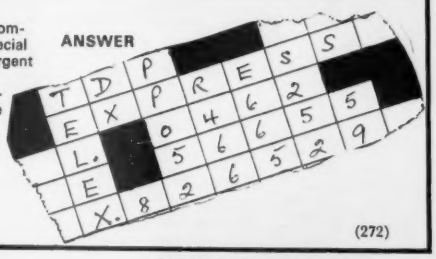

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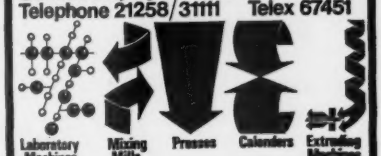

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